

## WORLD CUP TO THE INTER

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### **CLOUDS AND SILVER LININGS**

## **Asian Crisis Carries** Seeds of New Trauma

With Yen in Trouble, 'The Omens Are Ugly'

By Carl Gewirtz

PARIS - As in Round One of the Asian financial turmoil, the immediate impact on the outside world looks to be overwhelmingly favorable: Money flooding out of Asia into the perceived safety of U.S. and Western European government bond markets is pushing yields down to modern-era lows.

The attendant stall in regional economic activity also is putting renewed downward pressure on commodity prices, which, after an early spring recovery, are again falling.

This combination of falling interest rates and declining inflation can only spell good news for the rest of the world - just as it did early this year - and a renewed boom in stock prices must be just around the corner, right? Wrong, analysts insist.

"It never happens the same way twice," said Steve Blitz at Offit Associates in New York. "And besides, things are different this time. Now Japan is in full-blown recession and putting tremendous additional pressure on the

Stephen Roach at Morgan Stanley

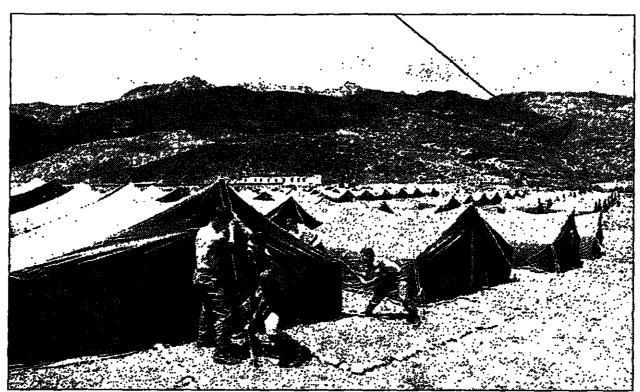
Dean Witter in New York agrees that the similarities to the first round of the crisis "are striking," but he also warns that the current collapse of the yen "is the single most destabilizing force at work in world financial markets today."

Mr. Roach, a leading skeptic about 'New Age" economics, assumes that Asia will calm down and that investors buying into the current bond-market rallies will ANALYSIS be burned as yields climb on signs that in-

flation in the United States is not dead. The big unknown, of course, is Japan the second largest economic power behind the United States - whose destabilization threatens not only Asia and emerging markets in Eastern Europe and Latin America, but the in-

dustrialized world as well. "The omens are ugly," warned John Llewellyn at Lehman Brothers in London. "With investors now more risk averse than they were at the initial peak of the crisis last October, they are bound to move progressively into U.S. and core European bonds. The dollar stands to strengthen further. And many emerg-

See ECONOMY, Page 8



Albanian soldiers putting up tents Sunday at Bairam Curri as the country braced for more Kosovo refugees.

### AGENDA

### Day of No Surprises At the World Cup

With both teams making their first World Cup appearance, Croatia out-classed Jamaica. 3-1, after Jamaica

defied expectations by going into halftime at 1-1. Page 22.

A free kick by Sinisa Mihajlovic gave Yugoslavia a 1-0 victory over Iran in the 73d minute, a game between two countries returning to the World Cup following politically re-lated absences. Page 21.

Japan, appearing for the first time in World Cup competition, made a strong showing in a 1-0 loss to Argentina. Gabriel Batistuta scored his 39th goal for Argentina. Page 22.



Argentina's Nelson Vivas and Japan's Shoji Jo going head to head.

## Europe's Bull Market Is Beating the Blues

A Changing Business Climate Spurs Investors

By Edmund L. Andrews

winter blues that has dragged on for much of the last decade, European business has finally come back to life. The best evidence is in the Conti-

nent's stock markets. From Spain to Germany, market indexes have outpaced those in the United States, with some climbing a third or more in just the past six months.

But the boom in Europe is more than a bull market. Europe is going through ar least four historic financial transformations - each of which is likely to alter the investment landscape for years to come, all of them likely to benefit investors:

• Currency union. On Jan. 1, France and Germany will lead nine other nations in adopting the euro as a common currency, creating a unified economic entity almost as big as the United States. The euro looms behind every other major trend in Europe, accelerating the broad movement toward greater com-

petition and free-market capitalism. • Economic convergence. For the first time this century, interest rates and inflation are now almost as low in Spain

Thanks largely to stringent economic requirements for joining the "euro club," governments across the Conply reduced budget deficits and yoked themselves to austere monetary policies. Now the reward is at hand, in the form of fast growth and stable prices.

 Corporate overhaul. Under growing competitive pressure worldwide, European conglomerates are embracing Wall



Street's priorities: profits and the concept of shareholder value. Companies that once were opaque to many investors are now listing their shares in New York and open-

ing up their books. They are also slashing costs, selling off businesses that do not perform and merging like mad to shore up the rest.

The revamping has cost millions of European workers their jobs, and companies are still not as profitable, on average, as their American counterparts. But the renewed strength is measurable. A stampede toward stocks. Perhaps

the most profound change is the surge

See INVEST, Page 18

## Cheap Uil: Harsh Keality for Gulf States

By John Lancaster Washington Post Service

KUWAIT — The recent slide in oil prices is playing havor with the pe-troleum-powered sheikhdoms of the Gulf, highlighting their dependence on fickle international markets and generating renewed pressure on governments for economic diversification and

With oil now selling for less than \$15 a barrel, down from \$22 in October, major oil producers such as Kuwait and Saudi Arabia are suddenly forecasting serious budget shortfalls that could force painful cuts in subsidies for housing, education and other politically sen-

sitive programs. This spring, the Kuwaiti oil minister, Nasser Saoud Sabah, warned that his country could be headed for an "economic catastrophe," a fear shared by rulers in neighboring Saudi Arabia. which loses an estimated \$2.6 billion in

a barrel of oil. In Iran, which gets almost half its revenue from oil, the government recently revised its budget assumptions on

oil prices from \$16 to \$12 a barrel. More broadly, the price slide has spotlighted once again the distortions of the region's oil-based economies -- and revived a long-simmering debate over

the need for a top-to-bottom overhaul. The problem is that governments can no longer count on oil revenue to meet the needs of their fast-growing populations. There is general agreement on

revenue for every \$1 drop in the price of themselves from oil by encouraging the creation of vibrant private sectors, which in turn will generate the jobs and

growth that oil no longer can provide. But that entails politically painful measures such as slashing middle-class subsidies and paring down government bureaucracies, the primary source of employment in the Gulf states. Such austerity measures - implemented by autocratic and unelected leaders who will not share equally in the pain -- could cause resentment among ordinary citizens, fueling Islamic extremism and threat-

See OIL, Page 7

## **NATO Vows** To Head Off New Bosnia In Balkans

Allies Deploy Aircraft To Halt Serb Offensive Against Kosovo Rebels

> By Joseph Fitchett International Herald Tribune

PARIS - As military aircraft from the United States and the European allies moved into position for show-offorce exercises in the skies over Albania and Macedonia, starting Monday, Western leaders vowed Sunday that the Kosovo situation would not be allowed to become another Bosnia.

The air activity will be aimed at demonstrating NATO's readiness to intervene in Kosovo unless Serbia accepts a cease-fire there, allied leaders said

Nearly identical warnings came from several Western leaders: The alliance demonstration of military readiness

Amid deployment, allies hope fighting can be averted. Page 4.

should be read by the leader of rump Yugoslavia, Slobodan Milosevic, as proof that the allies are preparing for military intervention if necessary.

Summing up the message, Robin Cook, the British foreign secretary, said Sunday that Western governments were not prepared to repeat the mistakes they made in Bosnia by delaying too long before taking determined military ac-

The Western message and show of strength were designed to coincide with talks due to start Monday in Moscow between President Milosevic and President Boris Yeltsin about a political solution between Serbia, which has sovereignty over Kosovo, and the near totality of the population there comprised of Muslims known as ethnic Al-

The Russian and Serbian leaders both represent Slav nations with Christian Orthodox churches as their established religion, and Moscow has shown no signs of watering down its opposition to NATO-led military action in Kosovo.

On the other hand, Moscow is supposed to be representing the views of the six-nation group working on a peaceful

outcome in Yugoslavia. That body has said that Belgrade must stop attacking Kosovo's towns and civilian population, send its military forces

back to their barracks and open talks

## and Italy as they are in Germany. **EU Fears Kohl Wants Contribution Cut**

By Tom Buerkle stivnal Herald Tribune

CARDIFF, Wales -- From the building of the Common Market to the tumultous process of monetary union, one of the most dependable features of the European political scene has been Germany's steadfast support for deeper integration - and the willingness to pay the tab for making it happen.

But as European Union leaders arrived here Sunday on the eve of their semiannual summit meeting, senior of-

ficials were bracing themselves for a tough new stance by Chancellor Helmut Kohl. Trailing badly in his bid for re-election this fall, Mr. Kohl was expected to try to score points with the voters back home by demanding a big cut in Germany's extensive payments to the

EU budget.
The hard-line budget position is the latest sign of an increasingly skeptical German view of Europe, one that promises increased friction with Bonn's EU partners and could delay the bloc's expansion into Eastern Europe.

In a separate presummit maneuver, Mr. Kohl teamed up with President Jacques Chirac of France last week in a thinly veiled attack on the supposed centralizing tendency of EU bodies like the European Commission. The two leaders demanded tougher enforcement of the principle of subsidiarity, which calls for as many decisions as possible to be made by national and local gov-

Jacques Santer, the president of the

See EUROPE, Page 7

### See BALKANS, Page 8 the solution: Governments need to wean

Bringing Genocidal Killers to Justice

### Jurists Meet in Rome to Establish International War Crimes Court

By Charles Trueheart Washington Post Service

ROME - After a century cursed by genocide, the world's nations are preparing to begin a new century equipped to punish and perhaps deter mass human extermination.

Beginning here Monday, diplomats and jurists from about 150 countries will meet for five weeks to write a sweeping treaty on international criminal law, one whose enforcement could override the laws of individual nations. If a treaty text can be approved by July 17, the United Nations-sponsored conference would establish a permanent international criminal court to investigate, prosecute and try perpetrators of genocide, crimes against humanity

Beyond its powers to bring the world's most heinous criminals to justice, it would become "a veritable sword of Damocles hanging over the heads of all warlords and their henchmen," said Doctors of the World, a French hu-

manitarian group that is among more than 230 nongovernmental lobbying organizations converging on the conference site here.

Depending on terms of ratification, a permanent court could be at work soon after the turn of the century, almost certainly in The Hague, the Netherlands capital, which is already home to the International Court of Justice, a UN civil court, and is the headquarters of the existing war crimes tribunals for the former Yugoslavia and Rwanda.

But the road to a treaty text, and to ratification by the United States among other wary nations, is so full of minefields that many fear - and some clearly wish - that the conference will produce either a toothless compromise

The draft text of the treaty that has been produced over the last three and a half years by a UN-appointed com-mission is more than 200 pages long. Though inspired by the loftiest motives of justice and what legal experts call

See TRIBUNAL, Page 8

### PAGE TWO The Making of a Child Murderer Books .. Page 9. Crossword.... .... Page 10. Pages 20-22. Sports ... Pages 4, 19 The intermarket The IHT on-line www.iht.com

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## **Quiet Crusader for Village Democracy** By Steven Mufson

Washington Post Service

BEIJING - In July 1989, about a month after Chinese troops killed hundreds of civilians in a crackdown on student-led protests, a little-known official named Wang Zhenyao from the Ministry of Civil Affairs traveled to a village in the northeastern province of Liaoning to oversee a democratic elec-

Mr. Wang traveled with one of the deputy ministers, who nervously wondered aloud whether it was not an inopportune time to be promoting grassroots democracy. Not to worry, Mr. Wang reassured the deputy minister. If the local officials were supportive, there would be no problem, he said. The balloting went off without any serious

Nearly a decade later, genuine elections have become commonplace in half careers. Though less well-known in-

of China's 928,000 villages, thanks in large part to the self-effacing Mr. Wang, who has crisscrossed China's countryside training local officials in the principles of democracy and democratic

That may seem like an uncommon achievement for a bureaucrat in a Communist state. But Mr. Wang is part of a new elite in and outside government that

is beginning to transform the country.

They are the most talented portion of the Cultural Revolution generation, a group that for the most part lost its way amid the political and economic up-heaval that racked China from 1966 through 1976. The few who, like Mr. Wang, managed to claw their way back into universities and get their careers back on track are self-starters who learned hard lessons about their society and its political system.

Now, they're hitting the peaks of their



CHINA The Next Generation

ternationally than the country's senior leaders, these people in their late 30s and 40s are reshaping China's one-party politics, its bootning businesses and its

Many of them believe that in the next century they are likely to make China a more stable country with greater democracy, a more open and capitalist economy and far greater personal free-

In the case of the village democracy program that Mr. Wang has championed, the changes are in some ways subtle so far. The experiment has been confined to communities averaging about 1,000 residents, and political

parties other than the Communists are

See CHINA, Page 8



## School Shootings Haunt U.S. Psyche

By Timothy Egan New York Times Service

OSES LAKE, Washington — Well before the school shootings in Oregon and the South prompted a search of the depths of the national soul, a 14-year-old honors student named Barry Loukaitis walked into his algebra class in this hard little farm town and shot his teacher in the back and two students in the chest.

Guns and violent videos were always around the boy's house. He learned how to fire weapons from his father. And he picked up a pose from the Oliver Stone movie "Natural Born Killers," telling a friend it would be "pretty cool" to go on a killing spree just like the two lead characters in the film.

Dressed in black and armed with three of the family firearms, Barry entered Frontier Middle School in this desert town 180 miles (290 kilometers) east of Seattle on Feb. 2. 1996, and turned his guns loose on fellow ninth-graders.

"This sure beats algebra, doesn't it," Barry

said, according to court records, as he stood over a dying boy who was choking on his own blood. He was tackled by a teacher and hauled off to jail. where he prompily took a nap. A sign soon appeared on a nearby school,

bearing a single word: Why? Of late, that question has been asked around the United States, following a spate of multiple-victim school shootings over the last nine months that have left 15 people dead and 42 wounded. People wonder whether something aberrant and terrifying — a lethal virus, some have called it — is in the bloodstream.

While precise answers may be elusive, the

recent killing sprees share a remarkable number of common traits. The first of the rural, multiplevictim student shootings, here in Moses Lake, looks in many respects like a road map of what was to come. From this case and interviews with police officers, prosecutors, psychologists and parents of the attackers - as well as the boys' own words - several patterns emerge:

· Each case involved a child who felt inferior or picked on, with a grudge against some student or teacher. The attackers complained of being fat or near-sighted, short or unloved - the ordinary problems of adolescence, at first glance.

But in fact, most of the assailants were suicidal, and of above-average intelligence, according to mental-health specialists who have examined most of the children arrested for the shootings. Their killings are now viewed by some criminologists and other specialists as a way to end a tortured life with a blaze of terror.

 The killers were easily able to acquire highpowered guns and, in many cases, their parents helped the children get them, either directly or through negligence. Guns with rapid-fire capability, usually semiautomatic rifles that can spray a burst of bullets in a matter of A depressed insecure child is quite common. But that same boy with a gun can be a seconds, were used in the worst incidents.

 To varying degrees, each of the anackers seemed to have been obsessed by violent pop culture. A 14 year-old in West Paducah, Kentucky, was influenced by a movie in which a character's classmates are shot during a dream sequence, according to detectives. Violent rap lyrics may have influenced one of the boys in

the Jonesboro, Arkansas, case, his mother says.

The killer who has confessed in Pearl, Mississippi, says he was a fan of violent fantasy video games and the nihilistic rock lyrics of Marilyn Manson, as was the boy charged in the Springfield, Oregon, shootings last month. The Springfield vouth was so enmeshed in violent television and Internet sites that his parents recently unplugged the cable television and took

away his computer, a close family friend said. • The student killers gave ample warning signs, often in detailed writings at school, of dramatic, violent outbursts to come. The boy in Moses Lake wrote a poem about murder, saying, "I'm at my point of no return." In virtually all of the cases, adults never took the threats and warning signs seriously. Or they simply overlooked them.

"When you look at the overall pattern, it's a pretty serious wake-up call," said Ronald Stephens, executive director of the National School Safety Center, which monitors school violence from its headquarters in Westlake Village, California. "We are seeing an increasing number of violent, callous, remorseless juveniles.
"What's behind it," Mr. Stephens said,

"seems to be a combination of issues that range from the availability of weapons to the culture our kids immerse themselves in to the fact that many youngsters simply have no sense of the finality of death.

The peak in the trend of children killing chil-

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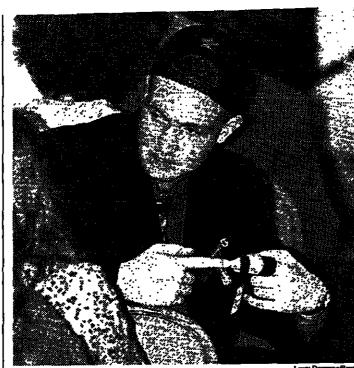
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President Bill Clinton, right, speaking at Thurston High School in Springfield, Oregon, the site of a shooting spree that left two dead and 22 wounded on May 21. Jakob Ryker, above, was injured when he wrestled the suspect to the ground.

dren was the 1992-93 school year, when nearly 50 people were killed in school-related violence.

according to the School Safety Center. Most of those killings were in urban schools, and prompted a federal law banning guns from schools, escurity measures like metal detectors and efforts to control the influence of gangs.

In looking at the 221 deaths at American school work over the last six years, what leaves out

In looking at the 221 deaths at American school yards over the last six years, what leaps out is how the shootings changed dramatically in the last two years — not the number, but the type.

Most earlier deaths were gang-related, or they were stabbings or they involved money or a fight over a girlfriend. (Boys are almost always the killers.) Then came the Moses Lake shooting in 1996. Barry Loukaitis, who confessed to the shootings and was found guilty as an adult in trial last fall, did have a target in mind when he walked into the afternoon algebra class — a nopular boy into the afternoon algebra class — a popular boy who had teased him. He shot the boy dead.

But then he fired away at two other students, people against whom he said he had no grudge. He shot the teacher, Leona Caires, in the back. She died with an eraser still in her hand.

When asked in a tape-recorded session with

sault, at students who filed out of Westside Middle School in Jonesboro, Arkansas.

And finally in Springfield last month - where a boy with a love of guns is accused of mowing down as many students as possible in the crowded school cafeteria, using a semiautomatic rifle taken from his father — the victims were anyone who happened to be in the way, the police

eople ask why this is now happening in white, rural areas, said Dr. Alan Unis, a University of Washington psychiatrist who did an examination of the Moses Lake assailant for the court. "It's happening everywhere," he said. "One of the things we're seeing in the population at large is that all the mood disorders are happening earlier and earlier. The incidence of depression and suicide has gone

way up among young people."

Suicide rates for the young have increased over the last four decades and have leveled off



their children, at an early age, how to use guns properly. The story of how Andrew Golden, accused in the Jonesboro shooting, was given a gun by Santa Claus at age 6 and was an expert marksman in the Practical Pistol Shooters Club a few years later has been widely reported.

But less well-known is how the other accused

Jonesboro killer came by his knowledge of guns. Mitchell Johnson's mother, Mrs. Woodward, said in an interview that she taught her boy how to shoot a shotgun, and then he took a three-week course.

When the boys were arrested after hitting 15 human targets at Westside Middle School, police found nine guns in their possession. Most of them had been taken from the home of Andrew's grandfather, Doug Golden, a conservation oficer who says he usually kept his guns unlocked

The parents of Kipland Kinkel, the boy accused of the Springfield shootings, were not gun enthusiasts, but their son was, according to interviews with family friends. The parents agonized over the boy's gun obsession, fi-nally giving in and buying him a weapon. The father and son took courses in marks-manship and safety, and the guns were kept

under lock and key.

But given Kip Kinkel's moods and temper, the purents had debated over whether to him a single-loading bolt-action weapon or something with more rapid-fire capability. They settled on the more powerful gun, a .22-caliber semiautomatic Ruger rifle. It was a fatal mistake, according to some people who are studying the recent shootings. It was that rifle that Kip used to fire off 50 rounds at Thurston High School.

Just as easy to get as guns were videos or often glorified. Jurors in the trial of Barry Loukaitis were shown a Pearl Jam video, "Jeremy," about a youth who fantasizes about using violence against classmates who taunt him, That video, along with "Natural Born Killers," a movie about a pair who kill their parents and then go on nationwide shooting spree, were among Barry's favorites, his friends testified.

At least one of the boys accused in the Jones-boro attack, Mitchell Johnson, was a big fan of gangsta rap. Friends and relatives say a favorite song was one by Bone Thugs-n-Harmony, called, 'Crept and We Came," about killings. The boy also played Mortal Kombat, a popular video game that involves graphic killing of opponents. his mother said.

"There are many cultural forces predisposing kids to violent behavior," said the Reverend Chris Perry, a youth minister for Mitchell Johnson at Central Baptist Church, who has talked to the boy three times since the shootings. "There is a profound cultural influence, like gravity, pulling kids into a world where violence is a perfectly normal way to handle our emotions."

## President Visits Site Of Attack

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At Oregon School, He Tries to Instill Hope

SPRINGFIELD, Oregon — A blue ribbon bearing the word "Promise" on his lapel, President Bill Clinton walked the corridors of Thurston High School — where not one month. ago there were sounds of gunfire and screams — to try and console a community and turn its tragedy into an

emblem of hope.

"We want something constructive to come out of this," Mr. Clinton told an assembly in the school gymnasium just across a breezeway from the cafeteria where 15-year-old Kip Kinkel

eteria where 15-year-old kip kinkel is accused of opening fire on May 21—a day after being suspended for stashing a gun in his locker.

Mr. Clinton said he was echoing words spoken to him privately by the fathers of the two slain boys, Mikael Nickolauson and Ben Walker.

Quietly in the school library, Mr. Clinton also huddled Saturday one-by-one with families of some two dozen wounded students, several of whom were still in casts or on

To the parents of Ben and Mikael, Mr. Clinton said his message was: One way they can honor their children is to work with us to try to create a country and a set of circumstances which makes it far less likely that

which makes it far less likely marthese things would be repeated."
He endorsed new legislation introduced by the two Oregon senators,
Ron Wyden, a Democrat, and Gordon,
Smith, a Republican. The law would
require that children bringing guns to
school be held by officials for 72
hours of observation and evaluation. hours of observation and evaluation.
Hundreds of Springfield residents

lined the streets and packed the school's front lawn to wave a greeting. some bearing hand-lettered posters saying, "Thank you for coming."

But, while the bullet holes in the

cafeteria have long been spackled over, Mr. Clinton's visit rubbed some open wounds.

we want to move on," said Luke fi-menez, 17, who graduated last week.

NOTHER new graduate,
Aubra Lewellen, 18, said:

Aubra Lewellen, 18, said:
"It happened a long time
ago. I feel like he only came
because he was in Portland. I don't
feel like he really came for us."
Amy Lindley, 29, a graduate of
Thurston, differed. "It's important
for him to be here to see what's been

going on," she said.
In his Saturday radio address to the nation, Mr. Clinton appealed once more.

for less violence in popular entertainment and more action in Congress. He said he was directing Education

Secretary Kichard Kiley and Attorne General Janet Reno to work with school officials and law enforcement authorities on developing an "early warning guide" that might help pre-vent the kind of youth rage that erup-ted in deadly school gunfire here and in Arkansas, Kentucky, Mississippi and Pennsylvania.

"In Springfield, and in far too many recent cases, troubled children announced their intentions before turning guns on their classmates," Mr. Clinton said. "We've learned that terrible threats and rage in the face of rejection can be more than idle talk."

His administration's new guide would "help adults understand the signs and respond to them before it's too late," Mr. Clinton said. He also urged congressional action on his proposal for a lifetime ban on gun pur-chases by violent juveniles and for \$95 million in crime-prevention efforts, in-cluding after-school programs.

lethal threat. In all of the recent shootings, acquiring guns was easier than buying beer. or even gas. Specialists say cultural forces are predisposing youngsters to violent behavior. near their all-time highs. More than 1.5 million

police why he shot the others, Barry said: "I don't know. I guess reflex took over."

After Moses Lake, shootings of a somewhat

similar nature followed. In February 1997 in Bethel, Alaska, a boy armed with a 12-gauge shotgun that had been kept unlocked around the home killed a popular athlete, fired shots at random and then tracked and killed the Drincil old Alaskan killer thought it would be "cool." prosecutors said, to shoot up the school.

y the end of last year, the killings seemed to come with numbing sameness. All but one of the victims apparently were chosen at random in the shootings outside a high school in Pearl, Mis-

sissippi.
"I wasn't aiming at anyone else," said Luke Woodham, convicted last week in the shootings, in a tape-recorded confession played at his trial in Hattiesburg, Mississippi. "It was like I was there, and I wasn't there." He was sentenced to two life

killed and five students were wounded in a shooting with no apparent motive. "It was kind of like I was in a dream," the accused attacker, Michael Carneal, 14, told his principal

terms in prison plus 20 years on each aggravated assault charge, all to run consecutively. In West Paducah, Kentucky, three girls were

In March, an 11-year-old steeped in gun culture and a 13-year-old with a troubled past

opened fire, in what seemed like a military as-

Americans under age 15 are seriously depressed, according to the National Institute of Mental Health. Most of the attackers in the recent cases had shown signs of clinical depression or other psychological problems. But schools, strapped for mental health counselors, are less likely to pick up on such behavior or to have the available pick up on such behavior or to have the available ings happened said.

A depressed, insecure child is quite common. But that same boy with a gun can be a lethal threat. In all of the recent shootings, acquiring guns was easier than buying beer, or even gas.

The Moses Lake assailant used to play at home with his family guns as if they were toys, friends testified in court. In his confession, Barry Loukaitis said he took two of his father's guns from an unlocked cabinet, and a third one — a .25-caliber semiautomatic pistol — from a family car.

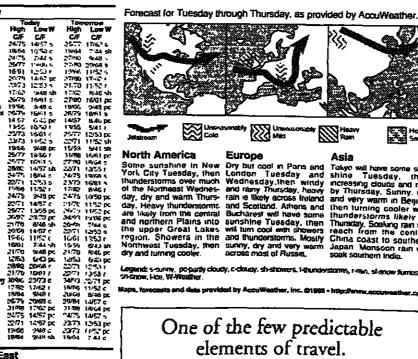
The gun used in the Alaska school shootings was kept unlocked at the foot of the stairs in a foster home where Evan Ramsey was living, according to the police.

The shootings in West Paducah, Jonesboro and Springfield were similar in that semiautomatic weapons -- capable of firing off dozens of rounds in under a minute — were used to kill children. Weapons of less rapid-fire capability would likely have reduced the death tolls, the police said.

In Jonesboro and Springfield, the parents of the accused assailants followed the general advice of the National Rifle Association and taught

Europe

## **WEATHER**



Europe North America North America Europe

Some sunshine in New Dry but cool in Pans and York City Tuesday, then London Tuesday and thunderstorms over much of the Northeast Wednesday, then windy of the Northeast Wednesday, then windy and rany Thursday, heavy thunderstorms and Scotland. Afters and are likely from the central Bucharest will have some and northern Plains into the upper Great Lakes will turn cool with showers region. Showers in the Northwest Tuesday, then dry and turning cooler.

One of the few predictable elements of travel.

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TRAVEL UPDATE

### **New Inspections Slow German Trains**

FRANKFURT (Reuters) — Amid concern about the safety of Germany's high-speed Inter-City Express trains after the June 3 accident that killed 98 people, the railroad withdrew 59 trains for safety checks Sunday, for the third time in a week, causing further delays.

The railroad said it had learned that some wheels on local trains

had broken and were of the same type as those on high-speed trains. The main routes affected were Hamburg to Munich and Basel, Switzerland, and Berlin to Frankfurt.

### Qantas Will Drop Flights to Vietnam

SYDNEY (AP) — Qantas Airways said Sunday that in August it would cancel its twice weekly service to Vietnam and reduce Sydney-Tokyo flights to one a week from two. Quantas's five flights a week from Sydney and Cairns to Fukuoka, Japan, will be halted in October. Flights will be added to the United States, Singapore, New Zealand and Bali.

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This Week's Holidays

Banking and government offices will be closed or ser-vices curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Argentina. Gibraliar, Malawi, Venezuela. TUESDAY: Cayman Islands.

WEDNESDAY: keland. FRIDAY: Algerra, Bahrain, Finand, Sweden, Trinidad, Uruguay. SATURDAY: Argentina

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Middle East

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### THE AMERICAS

## The Zapruder Kennedy Film: What Price History?

By George Lardner Jr. ington Pust Service

WASHINGTON — Abraham Zapruder wouldn't even have had his Bell & Howell movie camera with him if his secretary hadn't prodded him to go

home and get it.

At first, he planned to poke it out the window of his office building as the presidential motorcade passed by. Later, he decided to go outside to find a

better spot.
What the Dallas dressmaker caught on film that day, November 22, 1963, is one of the most stunning visual docoments of the 20th century: a sunlit depiction of the assassination of President John F. Kennedy.

Described by experts as the single most important piece of evidence about the 1963 murder, the 26-second home movie captured in gory detail the shot that killed the president. It has been stored at the National Archives for the last 23 years

but the original, and the copyright, still belong to the Zapruder family.

That will change Aug. 1 when it becomes public property, an official "assassination record" designated last year by a unanimous vote of the Kennedy Assassination Records Review Board. But with the deadline ap-proaching, the film has become the subject of stiff negotiations between the Justice Department and lawyers for the Zapruders over what price to put on this unique piece of history.

They are millions of dollars apart. The Zapruders have asked for \$18.5 million for the film and the copyright, informed sources said, and have hired a Wash-ington lawyer, Robert Bennett, to press their claim. The Justice Department contends that price is much too high and has offered \$750,000 while suggesting it

might go as high as \$3 million.

Unhappy with the figures thrown out by the Justice Department, the Zapruders are considering litigation that would invoke their constitutional right to "just compensation" for property seized by the government. Sources close to the family point out that President Kennedy's walnut cigar box, a present from the comedian Milton Berle, fetched \$574,500 at a 1996 auc-

tion. The desk Mr. Kennedy used to sign the Nuclear Test Ban Treaty sold for 43 million.

The Zapruders have been very reasonable, very generous in their dealings with the government," Mr. Bennett said. "They have no desire to exploit the situation. They've offered the government a digitally enhanced, first-generation copy at no charge.

Mr. Bennett's law firm colleague, Richard Brusca, added, "There is also a serious question of whether the government even has a right to take the film."

However, government officials contend that the broad terms of the 1992 law setting up the assassinations board automatically made the film U.S. property even before August 1.

POLITICAL NOTES

### Chinese Army Uses Civilian Satellites

WASHINGTON — For the last two years, China's military has relied on American-made satellites sold for civilian purposes to transmit mes-sages to its far-flung army garrisons, according to highly classified intelligence reports.

The reports are the most powerful evidence to date that the American government knew that the Chinese Army was taking advantage of the Bush and Clinton administrations' decisions to encourage sales of tech-

nology to Asian companies.
The United States has barred American companies from selling military equipment to the Chinese military since the 1989 killings in Tiananmen Square.

The intelligence reports, which were described by administration officials, were recounted last year in a document compiled by Pentagon intelligence officials and sent to hundreds of senior policymakers at the White House, State Department and other agencies.

Several congressional committees are examining whether the admin-istration's policy toward technology exports damaged national security by strengthening China. Senator Richard Shelby, Republican of Alabama and chairman of the Senate Intelligence Committee, said last week that he plans to investigate use of Americanmade satellites by China's military. The House recently voted to ban future satellite exports to China, and the Senate is scheduled to take up similar legislation soon.

Administration officials said it was impossible to prevent China's army from using American-made satellites sold abroad and that their long-term aim was to prevent China's military from obtaining the technology needed to make the equipment on its

In addition, they said, the arrange-

ment had a side benefit: It gave American intelligence agencies a better chance of intercepting China's military communications.

### Republicans Hold Showcase in Iowa

CEDAR RAPIDS, Iowa — A parade of prospective presidential candidates converged here during the weekend for a gala that the state's Republican Party billed as a showcase "ideas and visions" for the next millennium.

Almost a dozen Republicans sought to win over the particularly conservative subset of voters who will participate in the crucial presidential caucuses here in 2000, traditionally the first battleground of the primary season.

Even in this conservative state, the heavy emphasis on social and moral themes was a striking shift from forums of past years. Then the messages were dominated by clashes over specific legislation or programs.

The gathering featured some prominent Washington lawmakers like Representative John Kasich of Ohio, chairman of the House Budget Committee. But it was dominated by lesser-known politicians seeking to test their appeal on a presidential stage.

One of the speakers was Gary Bauer, the president of the Family Research Council, who said: "No to same-sex marriages. No to saying that way of life is acceptable." (NYT)

### Quote/Unquote

Representative Bob Barr, Republican of Georgia and a prospective presidential candidate who since last year has called for President Bill Clinton's impeachment, admonishing delegates at the Republicans' gala in Cedar Rapids, Iowa: "I didn't hear the 'I-word' out there! Impeach! Yessir. Yessir!"

### **Away From Politics**

• Nearly 60 years after the United States forced more than 2,000 Latin Americans of Japanese descent to be deported and detained in U.S. camps during World War II, the government has apologized and agreed to pay each former internee \$5,000. (WP)

Funds for a \$15.1 million bulletproof bunker in the sky have been approved by the New York City Council. The 23d floor of a building

in the World Trade Center complex will be converted into the bunker, from which Mayor Rudolph Giuliani will be able to manage any disaster to strike the city.

• Civil rights leaders and activists converged on Jasper, Texas, to demand an end to racial violence as mourners attended the funeral of James Byrd Jr., a black man the police say was dragged to death by white supremacists. (AP)

### Starr Admits He Talked Off the Record to Press 'Nothing Improper,' Clinton Investigator Insists Mr. Starr said his office's contacts By Howard Kurtz with reporters "have been legal, ap-Vashington Post Service propriate and consistent with Depart-WASHINGTON - Kenneth Starr,

the independent counsel, says that he and his top deputy have often spoken to reporters on a not-for-attribution basis about their investigation of President Bill Clinton and his relationship with Monica Lewinsky, sometimes discussing sensitive information about what witnesses have told prosecutors.

In an interview with Steven Brill, founder of the new media magazine Content, Mr. Start said there was "nothing improper" about such discussions with reporters "if you are talking about what witnesses tell FBI agents or us before they testify before the grand jury or about related matters.

"I have talked with reporters on background on some occasions," Mr. Starr said, adding that his deputy, Jackie Bennett Jr., "has spent much of his time talking to individual reporters." In fact, he said, on Jan. 21, the day the Lewinsky story broke, Mr. Bennett spent "much of the day briefing the press.

In an apparent reference to the White House, Mr. Starr also said granting such interviews is justified in "a situation where what we are doing is countering misinformation that is being spread about our investigation in order to discredit our office." He added, "I think it is our obligation to counter that kind of thisinformation.'

Mr. Starr's disclosures followed months of charges and countercharges between his office and the White House; each side blaming the other for alleged leaks in the sex-and-perjury probe in-White House intern. The administration wasted little time in seeking to capitalize on Mr. Starr's remarks.

A White House spokesman, James Kennedy, said the article "raises grave concerns about Mr. Starr's entire investigation." He said that an "independent investigator" must be named to 'not only evaluate how Mr. Starr has conducted this investigation but also address his pattern of violating grand

jury secrecy laws."
i Mr. Brill, the founder of American Lawyer magazine and Court TV, asserts that Mr. Starr's investigation constitutes an "abuse of power" and says there trave been court decisions that hold that the criminal prohibition against leaking investigative material applies to prosecutors providing information about prospective wimesses who might testify before a grand jury.

In a statement released by his office

Saturday night, Mr. Starr said that Mr. Brill had "recklessly and irresponsibly charged the Office of Independent Gounsel with improper contacts with the media. These charges are false."

Mr. Starr said his office "does not release grand jury material directly or indirectly, on the record or off the record," and that "news reports purporting to disclose grand jury or other investigative matters often rely, with or without attribution, on witnesses, their attorneys or their confidants."

ment of Justice policy," and he quoted Deputy Attorney General Eric Holder as saying in 1995 that "in cases involving well-known people, the public has a right to be kept reasonably informed about what steps are being taken to pursue allegations of wrongdoing." In the interview with Mr. Brill, Mr.

Starr said that Mr. Bennett has talked "extensively" to Newsweek's Michael Isikoff, Susan Schmidt of The Washington Post and ABC correspondent Jačkie Judd.

Mr. Starr acknowledged that he met with two New York Times reporters, Jeff Gerth and Stephen Labaton, the day before they reported that Mr. Clinton had discussed his deposition in the Paula Jones lawsuit with his secretary, Betty Currie, who had already been debriefed by Mr. Starr's prosecutors.

"My understanding was that they knew the substance of it," Mr. Starr said. "I only wanted to talk to them about its timing." But he said his deputy, Mr. Bennett, "talked more extensively with the Times for the story. Mr. Bennett refused to discuss his conversations with individual reporters, telling Mr. Brill, "I don't think it is any

of your business." The 28-page article in the debut issue of Mr. Brill's monthly magazine contains considerable criticism of the press as a "cheering section" for Mr. Starr.



**Expo98 Celebrates the United States** 

American "Big Nazo" puppet creatures and performers from the Up With People group parading with flags aplenty in Lisbon on Sunday during United States of America National Day at the Expo98 World's Fair.

## Clinton Assails State Restrictions On Immigrants as 'Un-American'

By John F. Harris Washington Post Service

SPRINGFIELD, Oregon -- President Bill Clinton mounted an uncommonly blunt-spoken defense of immigration, asserting that ethnic newcomers contribute far more to society than they cost and castigating efforts at curbing their cultural and economic impact as "un-American."

Extolling immigrants as "the most restless, the most adventurous, the most innovative and the most industrious of people," he said many native-born citizens must confront their prejudices toward people with "new accents" and set aside what he called understandable but wrongheaded fears that "the America they know

and love is becoming a foreign land."
In a speech at Portland State University, he condemned "policies and ballot propositions that exclude immigrants from our civic life" — an apparent reference to recent initiatives in California — by limiting welfare benefits to legal immigrants

or curbing bilingual education.

Mr. Clinton also criticized congressional opposition, most of it from Republicans, to the use of new counting techniques in the 2000 census to correct what Democrats contend is traditional

The implied criticism on Saturday of the California actions brought a protest from the office of the state's Republican governor, Pete Wilson.

of nerve lecturing to the millions of Californians who supported this issue," said Sean Walsh, a Wilson spokesman.

### ■ Police Find 2 Explosive Devices

police spent four hours Friday locating and defusing what they described as two possible explosive devices.' The caller also said a bomb had been placed at a

Eugene bus depot, but none was found. Spokesmen for the Eugene police, as well as for the FBI and Secret Service. declined to provide details about the items that were found or their proximity to Mr. Clinton's planned route.

undercounting of immigrants and minorities. The anti-immigrant sentiment such measures reflect, he said, "is not only wrong, it's un-American."

'President Clinton, whose own immigration policies have failed, has a lot

The day before Mr. Clinton's arrival in Eugene, Öregon, police there discovered what appeared to be a pair of pipe bombs in a culvert near the airport and disarmed them, according to law enforcement authorities. The Washington Post reported.

Tipped by an anonymous caller, the

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### **AMERICAN TOPICS**

## A Farewell to Angst: Writer

Discovers the Ideal Garret Like all writers, William Elliott Hazelgrove yearned for a clean and pleasant place in which to pursue his craft. He had drafted novels in a storage room, a coffee house, various

sements and a bakery, reports the Los Angeles Times. So when, one dark March afternoon last year, he noticed a light in the garret of a turreted, white framed house while walking home in Oak Park, Illinois, a light popped on in his mind: The house now a museum, was the site of Ernest Hemingway's birth in

site of infest rieningway's birth in 1899. "God, that"d be a great place to write, "he remembers thinking.

Mr. Hazelgrove approached the Ernest Hemingway Foundation, which, after initial skepticism, came around to the notion that having a writer at work in the attic when visitors pass through the house was not such a

The place, Mr. Hazelgrove said, has bad idea. proved to be enormously inspiring, even if Herningway lived there only to the age of 6. When Mr. Hazelgrove stops to ponder, he looks up — directly into the level gaze of the great American writer, photographed as a

Mr. Hazelgrove is now polishing a novel titled, aptly, "Hemingway's At-

### **Short Takes**

Mayor Willie Brown of San Francisco thinks that his city's water is so good he wants to bottle and sell it. "It's as good as Calistoga," said Mr. Brown. "It's as good as Evian."

The water comes by aqueduct di-rectly from the Hetch Hetchy Valley in Yosemite National Park, about 125 miles (200 kilometers) east of the city. It is pure enough that federal and state regulators do not require it to be filtered.

The idea of selling the city's water is not without precedent. Calistoga-brand bottled water comes from a geyser in Napa Valley, California, near the town of that name.

Other cities bottle their water, but mainly for promotional purposes. Toledo, Ohio, sells filtered water from Lake Erie under the name of - what else? - "Holy Toledo."

The giant aquarium at the Computer Museum in Boston contains some voracious-looking fish, but feeding them costs nothing. The fish in the 2,200-square-foot "Virtual Fish Tank"—actually 12 large projection screens—are boldly colored, carticular to the colored, carticular to the colored carticular to the carticular to toonlike creatures. Visitors to the exhibit, which was developed with the Massachusetts Institute of Technology and Nearlife of Cambridge, design their own fish, instructing them

how to react to other fish, to humans, to food and to water depth. Sensors enable the fish to detect the presence of humans and react to their movements. Mitchel Resnick, an MIT professor, told The New York Times that the exercise allows people to study fish behavior and learn "how orderly patterns can arise without a leader, just from simple interactions among neighboring fish."

The Viagra phenomenon has produced a mini-boom in business for the legal brothels of Nevada, according to

some owners.

Men as old as their mid-90s, who have been rejuvenated by the little blue impotence remedy, are said to be flocking to the establishments to relive younger days, the Philadelphia Daily News reports.

"It totally has changed their self-esteem," said "Lief," a prostitute at the Moonlight Bunny Ranch, near Carson City. "They are paying more, staying longer." George Flint, head of the Nevada

Brothel Association, which represents the 30 legal houses of prostitution in the state, took exception, saying the talk of a Viagra-driven boom is greatly exaggerated. Don't tell that to Suzette Gwin, who manages the Moonlight Bunny Ranch.
"This," she said, "is the best thing

since prostitution was legalized in

1970.

Brian Knowlton

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PACE 16

### INTERNATIONAL

## Reluctant Warriors Against the Serbs

## After Warning Milosevic, U.S. and Allies Hope to Avoid Conflict

By Steven Erlanger

WASHINGTON - The United States and its allies remain reluctant to use force against the Yugoslav Army, despite NATO's decision to put on a display of air power in countries bordering the Serbian province of Kosovo, starting Monday, officials of the United States and other NATO member-nations said.

But Western policy, as it is being formulated on the run, hinges on the credible threat of force in order to prompt a negotiated solution between President Slobodan Milosevic and the ethnic Albanians of Kosovo, who make up 90 percent of the population in the province under Serbian rule.

pect quick Russian approval for a Security Council resolution authorizing

**NEWS** Serbia and, thereby of Yugoslavia.

If Mr. Milosevic ends up embarrassing the Russians by rebuffing Moscow's

### Fierce Fighting Persists in Guinea-Bissau; 4 Embassies and a Hospital Hit by Shells

LISBON — Fierce fighting between rebel soldiers and government troops in Guinea-Bissau continued Sunday as the insurgents denied government claims that they had been crushed, according to reports.

The two sides were pounding each other's positions in the capital, Bissau, with rockets, mortars and artillery, the Portuguese news agency Lusa reported. Caught in the middle, the U.S. and Swedish embassies, the main hospital and the Finance Ministry have taken direct hits, Portuguese radio RDP-Africa said. Damage to the Russian and French embassies was reported earlier in the day.

With the fighting intensifying, thousands of people were desperately seeking an escape route, and reports emerged Sunday that 200 people drowned as they fled Guinea-Bissau by boat two days before.

use of force.

Historically, the Serbs are friends and allies of Moscow and Kosovo is, after all, an ANALYSIS internationally recognized integral part of

But these officials say they are counting on President Boris Yelsin to help persuade Mr. Milosevic, when they meet on Tuesday, to halt the violence against ethnic Albanians and to start negotiating seriously with their repre-

French evacuees in Dakar said the tragedy occurred Friday when a boat carrying the refugees, most of them Guinea-Bissau citizens, capsized on its

country's coast. More than 3,000 evacuees from 25 countries arrived in Dakar, Senegal's capital, from Guinea-Bissau on Friday or on Saturday after fleeing the fight-

way to the Bijagos islands, 50 kilo-

meters (31 miles) off the West African

Fighting between the rebels and government forces, backed by reinforcements from neighboring Senegal and Guinea, has centered on a garrison in the suburb of Bra where the mutineers have been holed up for a week. The mutineers also control the international airport.

A rebel spokesman described as 'pure propaganda' the government's claim that the renegades had been dislodged from their stronghold, Lusa re-(AP, Reuters, AFP)

In any case, the Clinton adminis-tration and NATO officials do not ex-country officials say, Moscow may be country officials say, Moscow may be more willing to support a decision to authorize NATO to use force in or over

Prompted by Britain, the allies did much last week to make the threat of force a credible one. NATO has agreed to displays of air power in countries like Albania and Macedonia, and to accelerated planning for a possible use of force in Kosovo, against a backdrop of tough talk when Western foreign ministers met Friday in London.

Officials said they were hopeful that the threat of force will be sufficient to deter Mr. Milosevic from continuing his military operations in Kosovo, where about 250 people have been killed, about 10,000 have become refugees and 60,000 or more have been forced to flee their homes.

President Milosevic argues that he is using his forces to put down an in-surrection by the Kosovo Liberation Army, which is fighting for indepen-dence — much as Moscow tried to put down insurrectionists in Chechnya without NATO's interference.

But the officials emphasize that military force, no matter who wields it, will not bring a solution to the Kosovo problem. Only negotiations can do that, they say. And there is a growing consensus that Washington and NATO must press both the Serbs and ethnic Albanians to negotiate - and to negotiate for an end neither side currently accepts.

The Kosovo Albanian leader whom Washington favors, Ibrahim Rugova, who backs negotiations for independence, is rapidly losing popular support to the Kosovo Liberation Army, Western intelligence officials say, and few ethnic Albanians favor talks with the Serbs. That suggests that if negotiations with Mr. Milosevic are to work, a representative of the KLA must be in-

"The problem right now is that you're negotiating with someone,

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Cilaica) rejuliess will be done



Special police officers in Bairam Curri, Albania, searching men lined up Sunday from a bus that had carried them over the mountains into refuge from the Serbian Province of Kosovo, which is under military assault.

Rugova, who can't deliver the people who have to be delivered to make a settlement stick," a senior Western of-

At the same time, the official conceded, little is known about the leadership and structure of the KLA. "We need to do a lot more work to figure out who and how" the KLA is represented in any negotiations, he said, given that Mr. Milosevic may be unwilling to meet directly with a KLA representative.

"We need to get a political process going to which both sides are genuinely committed, and right now we don't have that," the official said.

Nor is the West acting with a firm resolve on what outcome it wants. Washington and its allies favor en-

federal Yugoslavia. But the ethnic Albanians, regardless of whether they favor the approach chosen by Rugova or the KLA, want independence and say a return to the status quo is impossible.

Mr. Milosevic, who took away Kosovo's autonomous status within Serbia in 1989, shows little sign of willingness to grant Kosovo much more than a return to the way things were.

Western officials acknowledge that any settlement must contain protections for Kosovo's Serbs and for the Serbian monasteries, cultural centers and historical sites that are central to the Serbs' self-image and ideology.

Some officials compare Kosovo to Northern Ireland, in the sense that an armed group is fighting for indepenhanced autonomy for Kosovo within a dence and that peace requires it to ac-

cept more realistic goals, short of that

But Kosovo and the KLA seem to lack a figure like Gerry Adams, the head of Sinn Fein, the political wing of the Irish Republican Army, who can articulate a set of compromises to the men with the guns.
With divisions about how deep to get

involved in Kosovo, Washington has been willing to be driven by the British and Germans toward a more confrontational policy toward Mr. Milosevic. including economic sanctions. Still, American officials say they and

NATO have been deeply involved with Kosovo policy in the first three months of this crisis, a marked contrast to Bosnia, where Washington kept its distance

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children into the back of her small red car the other day, fussing with them and warning them to behave. A few hundred But some experts emphasize that jus-nifiable hope must still be tempered with skepticism — that if the politicians do not move ahead toward new governchange their minds.

¿Are Ulster's 30 Bloody Years Over?

Belfast Residents Cautiously Optimistic About Peace Agreement

Portadown, west of here.

of reports of bombings and shootings, people have been discussing the nasty theft of five lambs, including a black

one, owned by two young girls near

By James F. Clarity

New York Times Service BELFAST - On the Shankill Road. in the heart of Protestant West Belfast.

Penny Purdy tocked her three small

Mrs. Purdy, like 72 percent of the people in this predominantly Protestant British province, voted May 22 in favor

of a new peace agreement to end the violence that has killed more than 3,200

people since 1969. She said she would

vote again June 25 for a new provincial

Like an increasing number of Prot-

Assembly to carry out the agreement.

estant and Catholic people here, she is beginning to feel, with some vestigial caution, that after 30 bloody years,

peace may well have arrived to stay in

Last winter when they were doing all that killing," she said, "my wee Zoe asked, "Why has that man been

- killed?" " after another tit-for-tat killing

between Protestant and Catholic para-

military groups.
"I realized then," Mrs. Purdy said,
"that I'm 30 years old and I have never

known peace in my lifetime. The agree-

ment means peace for my three children.

So I voted 'yes' in the referendum."

About half the Protestants in the

province voted "no," mistrustful of the

Irish Republican Army's willingness to

, continue its 11-month-old cease-fire

while politicians try to reshape the

"I'd like to think they mean it," she

· province's political structure. But Mrs.

said of the IRA and its political wing,

Ordinary people, officials and ex-perts agree that the rate of killings has

dropped sharply since the first IRA

cease-fire in August 1994. From 1969

until 1994, the rate was about 10 dead a

month; now, after four years of intens-

ive effort toward a peace settlement, the

rate is about one a month, and none

since the agreement was approved May

22 in referendums here and in the Irish

The Northern Ireland police force, the Royal Ulster Constabulary, says

There has been little if any paramilitary

self in a fish shop in 1993.

Ireland.

Northern Ireland.

Purdy is hopeful.

Republic.

yards from her car, a Roman Catholic bomber killed 10 Protestants and himmental panels to carry out the agreement, voters — and gunners — could But these days, for the first time in her "The agreement got a solid endorse-ment in the referendum," said Andy Wood, a political consultant and former life, Mrs. Purdy, a Protestant, goes about her daily routine not worrying that she and her loved ones might be killed in information director for the British govan instant in the sectarian warfare between the Protestant majority and the Roman Catholic minority in Northern

ernment in Belfast. "We'll have to see whether it receives such solid support six months from now. A lot of people thought of their kids, swallowed hard, held their noses and voted for it." Disillusionment, he said, could lead

to a return of violence. David McKittrick, author of several books on Northern Ireland, is also wary.
"Nobody really thinks it's all over forever," he said. He added that violence could erupt, as it has in recent years, if Protestant marchers are allowed to take their parades through re-sentful Catholic neighborhoods later

this month and in July.

"It's very dicey," he said of the prospects for the parades. "Only a couple of hundred bully boys can start

violence since the referendums. Instead the confrontation. It only needs a few to

spark off the whole thing again."

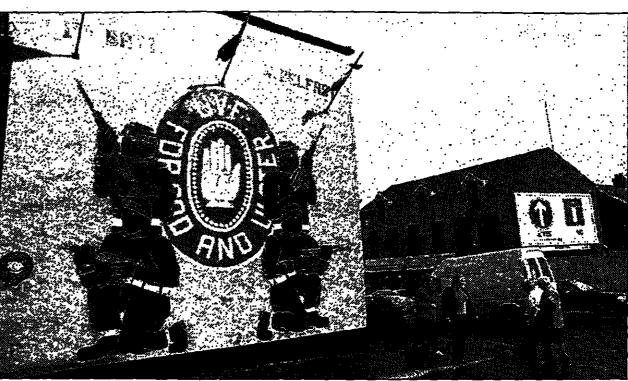
But on a recent afternoon in West
Belfast, where much of the killing has taken place, hope was more apparent than fear. On the Shankill Road, a Protestant shopkeeper whose customers include hard-line and mainstream Protestants, said he had voted in favor of the peace agreement, but asked, for com-

mercial reasons, for anonymity.
"You keep talking about Protestants," he said. "Most of them around here call themselves Protestants, but 90 percent of them never see the inside of a

He pointed to a wall poster depicting the Reverend Ian Paisley, the hard-line Protestant political leader, apparently wiping a tear from his eye. "Don't Let Paisley Put Tears in Your Eyes," the poster says, referring to Mr. Paisley's fulminating speeches against the peace agreement. The poster was put up, the shopkeeper said, by Protestants favoring the peace agreement. Anti-Paisley posters in Protestant areas would have been unthinkable a few years ago.

But like many Protestants, the shop-keeper said Mr. Paisley's grip on the Protestant mind and vote is slipping fast, that he is losing sway with Protestants to David Trimble, leader of the Ulster Un-ionist Party, which supported the peace

Aidan Darragh, the Catholic owner of



Belfast is slowly adjusting to the idea of peace in Northern Ireland. A loyalist mural on the Shankill Road in the heart of Protestant West Belfast serves as a reminder of the long conflict between Protestants and Catholics.

a newspaper and candy store, admitted that he had been sure the peace agree-

ment would not be approved. He gave credit for the deal to Gerry Adams, the Sinn Fein leader, and David

before had a kind word for Mr. Trimble, power with us. but that to win approval of the agreement "David Trimble worked very

"He's starting to get a wee bit of Trimble, the head of the Ulster Unionist sense," Mr. Darragh said. "He knows Let's get along with our lives. Let's Party. Mr. Darragh said he had never now they're going to have to share make the peace deal work."

"There'll be some minor disturbances over the parades. But after a couple of days it'il be over. Nothing like the past. People are saying: 'It's over.

### BRIEFLY

## Kohl Party Rejects Call For Election TV Debate

BONN - Chancellor Helmut Kohl's Christian Democrats rejected on Sunday an invitation by the Social Democrat challenger, Gerhard Schroeder, for a series of televised

debates between the two chancellor rivals. "Schroeder has not grasped that an election campaign does not equate to a personality show," said the Christian Democrat spokesman, Rolf Kiefer.

"It is about the practical, political competition between a center coalition and a dangerous left alliance."
The Germans vote on Sept. 27. (Reuters)

### Police in Greece Battle **Unappointed Teachers**

ATHENS - Greek riot policemen used tear gas and riot sticks to disperse protesters for a fourth day on Sunday as mannointed teachers continued their campaign to prevent new teacher recruitment exams from taking

In the most serious incidents, shop windows were smashed and cars attacked as not police fired tear gas to disperse a 2,000-strong crowd at a suburban Athens examination cen-

The teachers' union called a 24-hour strike at schools for Monday and said it would hold protest rally later in the day to condemn police treatment of the protesters. (Reuters)

## Spain Is Urged to Probe A Radiation Accident

MADRID - Environmentalist groups called Sunday for an investigation into an industrial accident at a steel plant owned by Acerinox that may have caused a sharp rise in radiation levels registered across Europe

earlier this month. Spain's Nuclear Security Council said on Saturday that an incident at a steel plant belonging to the company in the sombern city and could be viewed from above. (Reuters)

stance and may have been behind an unexplained radiation increase detected in Switzerland on June 1 and 2. (Reuters)

of Algeciras had released a radioactive sub-

### Memorial to Holocaust Is Reworked for Berlin

BERLIN - Peter Eisenmann, an American architect, has reworked his design for the Berlin Holocaust memorial and will present it for consideration this week, a German news-

paper reported Sunday. Plans for the monument, intended to commemorate 6 million Jews murdered by the Nazis, have provoked emotional debate and

criticism in Germany. The Tagesspiegel said Mr. Eisenmann had reworked his original design — a graveyardlike labyrinth of 4,000 concrete pillars up to 7.5 meters (25 feet) high — by reducing the number of pillars to 2,000 and sinking the

construction into the ground. The design would only be half a meter high

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PAGE 16

# Hong Kong Crusaders Against Racism Gain Little Support, Even From Victims By Keith B. Richburg Washington Poet Service that he was not right for the position because his skin was the wrong color deeply rooted racial prejudice from the Chamber of the Chamber of the Washington Poet Service to the Word of t

HONG KONG - To hear Ravi Gidumai, a locally born businessman. tell of the common trials and petty racial slights experienced by an ethnic Indian in Hong Kong, you might think you were talking to a black man describing life in white America.

There are the taxicab drivers who sometimes refuse to stop to pick him up. There was the time he went to join friends in a popular local bar, only to be told at the front door that Indians were not allowed. There was the time in his late teens when he applied for a job

JAKARTA — President B. J.

Habibie has indicated that he is con-

sidering releasing Xanana Gusmao, the

East Timorese rebel leader who is In-

donesia's highest-profile political pris-

oner, even as he again ruled out any

possibility of independence for the dis-

Mr. Habibie also gave, for the first time,

a timetable for economic recovery, pre-

dicting a turnaround in a year or two

influential figures, Bishop Carlos Belo,

a Nobel Peace Prize winner, appealed

for the release of Mr. Gusmao and de-

clared that the people of the territory

you, all East Timorese, to keep calm and

be restrained," he said. "Please don't

create things which disturb peace among people," Bishop Belo said in his

sermon to commemorate a Catholic fes-

the crisis of money, culture, morale and

trust in the government, which is af-

In Jakarta, President Habibie de-

Earlier this month, Mr. Habibie said

East Timor is a former Portuguese

political autonomy for East Timor was

not an option. "No, we will not let that

colony that was invaded by Indonesia in

clared Saturday: "We are going to keep

East Timor what it is, an integrated part

"Let's work together to overcome

tival in the territory's capital, Dili.

fecting Indonesia and East Timor.'

of Indonesia.

"In a critical situation like this, I ask

should decide their political future.

from the recent financial meltdown. On Sunday, one of East Timor's most

In an interview during the weekend,

puted territory.

**Habibie Hints at Freeing** 

East Timor Rebel Leader

'Most Indians who are here will notice it, if not on a daily basis, then quite often," he said. "I wouldn't say it's a major issue — you're talking about such a small minority of people. But it's a niggling problem."

In many advanced societies, such overt displays of racial discrimination might well be illegal, or at least not openly tolerated. But in Hong Kong, while a bill of rights prohibits the government from practicing discrimination, there is no similar law prohibiting discrimination based on race or age in the private sector. Members of the territeaching English, only to be told — tory's tiny ethnic South Asian popudespite his impeccable British accent — lation are the most frequent victims of

Mr. Gusmao's release is a key de-

'I'm really, really honestly consid-

mand of the protesters and rebels who,

in the haven of the rugged interior,

ering releasing him and integrating all

the Timorese who are still in the moun-

tains [into] the society and to take care of them the same as other Indonesian

people," President Habibie told the Jap-

anese news service Kyodo.
Until now, Indonesian authorities have flatly rejected calls for the release

Last week, Mr. Habibie freed 15 East

Timorese political prisoners and sug-

gested a special status for the territory in

return for peace — an offer rejected by

Peace Prize in 1996 for his efforts to

bring peace to East Timor, also ap-

peared skeptical about the govern-

Mr. Belo, who shared the Nobel

of Mr. Gusmao.

East Timorese activists.

continue their fight for independence.

This is a major scandal and something that we've been agitating about for years," said Paul Harris, chairman of the Hong Kong Human Rights Monitor. "You can refuse to hire someone because he is black or white or

"Things that in most Western countries would be outrageous or illegal or lead to action for damages, here are not,"
Mr. Harris said. "You can turn someone
down because of their skin color or religion, and the law will not intervene."

There is some disagreement as to exactly how prevalent the problem of racial discrimination is in Hong Kong. Raj Sital, past president of the Indian

discrimination law.

"I don't think we even got a handful of replies, so I don't think it's a big problèm," he said. "I was born and raised here," he

said. "I really haven't felt it as such." The Hong Kong government agrees that discrimination is not widespread enough to warrant legislation. Instead, the govern-ment published in April a nonbinding

"code of practice against discrimination," aimed at tackling prejudice through public education and raising awareness.
"We had a consultation last year, and the community at large did not seem to

think there was a need for legislation,"

a very big problem in Hong Kong. We have decided we will support equal op-

portunity through education." Even the most outspoken campaigners for equal opportunity laws in Hong Kong agree that in a nonviolent society like this, the effects of petry discrimination are relatively slight - sometimes making the problem seem less

'People are not violent," Mr. Harris said. "You don't have skinhead attacks like in Germany. That minimizes the ef-

fects, but it also makes it less visible." But Mr. Harris and other advocates still think the government needs to take

the Change of Leaving Will Ea are laws against discriminating by gender or physical disability, but notiing on race or age.

One of the biggest problems, say the supporters of new legislation, is a cultural aversion to conflict in which many victims of racial prejudice suffer the

slights in silence. Mr. Gidumal, who is campaigning for new anti-discrimination law, conceded that he had found little support for his efforts from the very community he

was seeking to protect. "The Indian community doesn't seem too bothered about it." he said, adding, "There doesn't seem to be,a will in the community to do something

about it. Anna Wu, the head of the local consumer council and a former member of the Legislative Council, said, "People,

in Hong Kong are not open to airing certain types of grievances.

Nevertheless, she pushed for an anti-discrimination law when she was on the

Legislative Council. Even without a victim coming forward, the government is obliged to legislate to protect," she said. Like others, she cited as the main problem prejudice. among the majority Chinese population

against people with darker skin. At the heart of the problem are complex questions of race and identity in a Chinese city that only one year ago rejoined the mainland.

There is also the backdrop of 150 years of British colonialism during. which racial discrimination was an entrenched feature of imperial goy,2 ernance. Throughout most of the British. rule, top jobs in the civil service wers reserved for expatriates — meaning whites — and discrimination in hous-ing schooling and employment was officially, and strictly, enforced.

Change came only in the 1970s and 80s, and in 1991 a bill of rights was passed, prohibiting the government, from discriminating. But after nearly, 150 years, Mr. Harris said, "the idea that it's okay to discriminate against people on the grounds of race is deeprooted here.

Given its own history of discrim-ination, critics say, the former colonial government was loath to introduce an anti-discrimination law.

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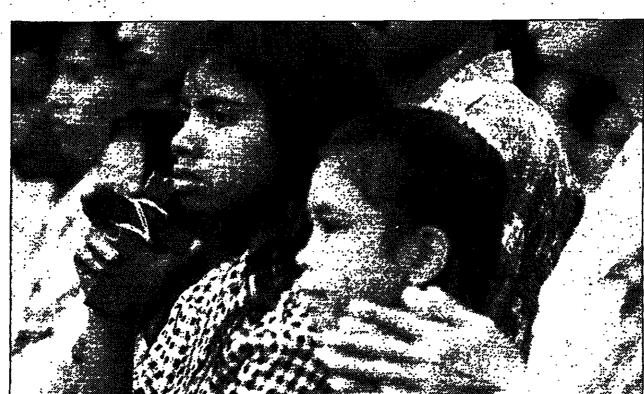
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While Hong Kong is overwhelm ingly Chinese, it is home to about, 35,000 ethnic Indians. Together with ethnic Pakistanis and Sri Lankans, the total number of Hong Kong people with ancestors in South Asia is more than-50,000. In addition, Hong Kong is home to more than 140,000 Filipinos — 130,000 of them working as domestic helpers. Many of them also say they suffer from discrimination.



An East Timor parishioner holding a wooden cross as she listened Sunday to a sermon by Bishop Carlos Belo.

ent's conciliatory moves. 'I'd like to see first," Mr. Belo said Sunday. "It could be a transitional solu-He insisted that detainees be freed. Regarding the economy, Mr. Habibie

said that pulling the country out of its worst economic troubles in decades would demand "concentrated and con-'If it depended on me, I would want

do it immediately," he said. "We could

come out of this crisis, let's say, with the

help of everybody, in one to two Mr. Habibie, who came to power last

month, had not indicated before how long economic recovery might take. President Suharto, his predecessor, quit amid protests and riots triggered in part by the economic difficulties.

■ A Protest Without Challenge Cindy Shiner of The Washington Post reported from Dili:

More than 1,000 people, including a few aging resistance fighters, gathered Saturday at the University of East Timor for a demonstration that was renurkable for what did not happen, rather than

Unlike the years under Suharto, security forces did not harass protesters. on the campus. Soldiers were nowhere to be seen as the shouted demands for independence.

'Viva!" they shouted, punching their fists into the air. They gathered on the back lawn of the campus and some sat on the school's roof, unfurling banners calling for the release of Mr. Gusmao or proclaiming "Death or inde-

"This is a golden chance for us," said Jovensio Martinez, 37, who spent nearly seven years in prison after a 1991 street demonstration during which security forces shot and killed at least 50 pro-

"It's the first chance we get to express our feelings on how to solve our problems and decide our political future," he said. "We have been crushed down for 23 years." Soldiers have refrained from trying to

prevent campus protests, but they broke up a rally Friday by East Timorese at the Foreign Ministry in Jakarta, the Indone-

## Rejecting Sanctions, Pakistan Bars Halt in Nuclear Program

ISLAMABAD, Pakistan - Pakistan has warned that economic sanctions by the world's major powers will not force it to abandon its budding nuclear pro-

The policy to punish in order to push the nonproliferation agenda will not succeed," a Foreign Ministry spokesman, Tariq Altaf, said Saturday. It is unrealistic and based on a fictional notion of the realities in South Asia. Any sanctions will continue to remain unproductive."

India also responded angrily to the sanctions decided Friday by the eight major industrialized nations.

Coercive and intrusive prescriptions are not only ill-advised but also counterproductive," the Indian Foreign Ministry said Saturday. India said the industrialized nations

had ignored its efforts to reduce tensions in the Asian Subcontinent, including a moratorium on further nuclear tests and offers to hold peace talks with Pakistan over Kashmir. The Pakistani spokesman, meanwhile, said the international community

should move quickly to draw up a blueprint to resolve the 51-year-old Kashmir dispute, over which India and Pakistan have fought two wars. The uneasy neighbors fought a third war in 1971 over Bangladesh, then East

In an interview last week, Foreign Minister Gohar Ayub Khan of Pakistan

warned that a fourth conflagration on the Subcontinent would escalate into a

nuclear war. Pakistan and India have called for talks, but the offers have deteriorated into accusations.

At a meeting in London on Friday, the world's leading industrialized nations agreed to deny nonhumanitarian loans to Pakistan and India in retaliation for the nuclear tests. India detonated five nuclear tests on May 11 and 13. Pakistan followed with tests two weeks later.

On Sunday in London, the British foreign secretary, Robin Cook, said that India and Pakistan were less secure and faced greater poverty after their nuclear

Mr. Cook, speaking in a BBC Television interview, said of the leaders of India and Pakistan, "They are not doing their own countries any good by proceeding down the road to a nuclear arms (AP. Reuters)

■ Gadhafi Bid Reported

The Libyan leader Moammar Gadhafi offered to pay India \$8 billion for a nuclear device after New Delhi's first nuclear test 24 years ago, the Times of India said Sunday, Agence France-Presse reported from New Delhi,

The Times of India quoted a defense expert, Bharat Karnad, as saying the Libyan "made two attempts to obtain nuclear weapons technology" between 1974 and 1978 but was rebuffed by then Prime Minister Indira Gandhi.

## Far Right's Success in Australia Forces Politicians to Take Note

CANBERRA — Australia's political leaders moved into damage control Sun-day after the stunning electoral debut by Pauline Hanson's One Nation Party. Prime Minister John Howard said his

conservatives and the Labour opposition could not afford to ignore One Nation's success Saturday in state voting in Queensland, where the ultra-conservative group won a quarter of the vote. There are clear lessons to be learned

from the result," he said in a statement. "These include the genuine sense of vulnerability felt by many Australians during times of economic and social In its first electoral outing, the 15-

month-old One Nation broke the political dominance of Labour and Mr. Howard's Liberal-National coalition. It appeared ready to garner up to 12 of the 89 Queensland seats.

With the results clear in all but about 10 seats on Sunday, officials continued counting votes to see if Labour would

wind up with a slim majority.

If not, the pressure would be on the independent in 1996.

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established conservative parties to make an informal coalition of convenience with One Nation to rule the state.

Critics say the party's platform is vague and impractical, arguing against economic reforms, calling for drastic cuts in immigration numbers and pushing for freer gun laws.

Glib one-line responses might work when a party is an outsider in an election campaign, but not once it holds seats in Parliament," Mr. Howard said. "There are, in truth, no simple solutions to Australia's challenges.

The Labour opposition leader, Kim Beazley, accused One Nation of misleading voters but said his party would have to work harder to convince people disillusioned by the government to support him and not Ms. Hanson. "I do think that a lot of One Nation voters don't really know what One Nation stands for," he said. "One Nation in reality is about race, and it's about guns."

Ms. Hanson did not run in the Queensland voting because she won a scat in the national Parliament as an

### BRIEFLY

### Aid to Indonesia Hurts North Korea

BELIING - Food shipments to North Korea are being threatened. as aid is diverted to Indonesia to support Jakarta in its financial crisis, a UN official said Sunday

"There are competing demands in the world, especially in this region now with Indonesia," said, Douglas Coutts, the Pyongyang based representative of the World

Food Program. North Korea is struggling to feed its 24 million people after three years of floods, drought and other natural disasters. Indonesia has been hit by falling wages and rising food prices that have sparked widespread riots, contributing to President Suharto's fall (Reuters).

### Cyclone Threatens **Épidemic in India**

AHMEDABAD, India - Gujarat state faced the threat of anepidemic as the authorities tried Sunday to restore infrastructure; damaged by a devastating cyclone.

The death toll in the cyclone that,

swept the Arabian Sea coast Tuesday mounted to 1,051, all but 11 in-Guiarat, as officials sent out medical help to cure and prevent outbreaks of disease following the dis-aster. As many as 144 people were, still missing in the port city of

There is a threat of epidemic in waterlogged areas, and we have sent out 282 teams of doctors along." with paramedics in the entire. state, 'a state government spokes-man said in Ahmedabad. (Rewers)

### Kuomintang Halts Its Slide in Taiwan

TAIPEI (AFP) — Taiwan's ruiing Kuomintang Party has halted the erosion in its power base. In local elections Saturday, Kuo-

mintang candidates won 3,520 seats: in voting for 7,755 village and neighborhood chiefs, 45 percent of the total. Independents took 4,086 sears, or 53 percent. The Democratic Progressive Party won 116 seats, and the rightist New Party won 6. (AFP)

### For the Record

The police in Beijing have in-terrogated and threatened three dissidents who urged President Bill Clinton to press Chinese leaders on human rights during a summit meeting this month, a rights group reported. (AP)

e'd bardly taken off-from Lagos before he took out a big, fat back. He put it aside when we brought him some fea and then suddenly started chattering away. He was on his way to visit his sons in England. The whole college was crazy about Sir Walter Scott, which explained why he was reading "franhoe", he told us with a smile. In Zurich, he was planning to buy inline skates and snowboards for his boys. Perhaps that would be one way of bringing them back down to earth. VOTED THE BEST EUROPEAN AIRLINE FLYING OUT OF THE UK. BY YOU. EXECUTIVE TRAVEL MAGAZIN For information and booking: swissair + www.swisseir.com or call your local travel agent.

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# In Nigeria and Turkey, Government Makes Journalism a Hazardous Job

## or sical disability by and sical biggest problems, and sical biggest problems, and sical biggistation, is a conflict in which as That Change of Leaders Will Ease Travails

By James Rupert Washington Post Service

"LAGOS - At the grimy building in an industrial zone where Tell newsmagazine rents its offices, it is not easy to find a reporter — and impossible to find an editor.

Advertising and circulation offices bustle, but the newsroom's phalanx of old, empty desks is silent enough for a coffee break or a nap. "We live and work underground," said Mikhail Mumuni, one of only two Tell reporters at the office one day last month.

Nigerian publications that report most critically on this country's military government have had to practice their jour-rialism underground. They hold editorial meetings in churches or public parks, lay out their editions on computers moved among "safe houses" and shift their print runs randomly among presses around this vast country.

she said Litera. It · That is because, in recent years under General Sani Abacha, who died last week, the military has proven deter-mined to silence what African and Westem journalists and intellectuals say is one of the most vigorous, professional presses in black Africa.

Many Nigerians say press freedom has become a key battle in a larger war between their military rulers and what is one of Africa's most developed civil societies. While countries in most of Africa are struggling to build the non-governmental institutions that can underpin a stable democracy - including professional, independent news media Nigeria has more of them than other nations in the region, and has fought the military to keep them, African political analysis say.

After General Abacha's death Monday and his replacement by General Abdulsalam Abubakar, "we hope for change," said Akin Akingbulu, director of the Independent Journalism Center, which monitors press freedoms.

"Obviously, the first step would be to release journalists in jail," he said in a telephone interview. But in General Abubakar's first speech to the nation Tuesday night, 'he avoided any mention of human rights issues," Mr. Akingbulu said.

"is that he often relaxes the measures against the press to win approval. But after a few months, they usually rerepression

The New York-based Committee to Protect Journalists last month named General Abacha as the world leader most inimical to a free press. As of early May, the committee counted 21 Nigerian journalists in jail — some without being charged, others having been convicted in secret trials. During the month, four journalists were released, but several others were arrested, according to Nigerian news reports.

Nigeria's secret police, the State Security Service, routinely raid newspaper offices or abduct journalists at gunpoint on the streets and hold them incommunicado for months, demanding that they reveal names and addresses of colleagues or sources.

Journalists have been slain in suspicious circumstances unsolved by any official investigation. A top magazine editor was killed in 1986 by a mail bomb while, colleagues said, he was investigating alleged narcotics corruption by the previous military regime. In February, guarnen burst into the home of Tunde Oladepo, an editor at The Guardian, shot him and held his family at gunpoint while he bled to death on the floor, colleagues said.

In his offices in Abuja, Information Minister Ikeobasi Mokelu recently denied that press freedom here is con-

'Nigeria runs one of the freest presses. if not the freest press, in the world," he said. Speaking of harassment of the press, he said that "if there are one or two cases, that should not be generalized.

But according to journalists and political scholars here, Nigeria's independent press has survived in spite of government policy. Many Africans and Westerners say Nigeria's press is black Africa's most vigorous and professional after post-apartheid South Africa.

Nigeria's massive population — a sixth of Africa's — and its early development of an impressive university system and large literate and intellectual classes bred a well-financed, competitive press "far ahead of anything else in the region, 'said Kabral Blay-Amihere. The pattern, when a new military a Ghanaian newspaper publisher who coordinator leader comes in," Mr. Akingbulu said, heads the West African Journalists' As-



An array of Nigerian daily newspapers and weekly newsmagazines, whose journalists have gone underground in order to publish.

sociation. Nigeria's first president,

column called "Inside Stuff by Zik." On the streets of Lagos, the country's journalistic nerve center, hawkers offer seven independent daily papers and five Abacha's bealth. weekly newsmagazines.

Still, "within five years, General Abacha and his colleagues have decimated a 130-year-old industry" that is "one of the most important parts of civil society," said Kakuna Kerina, African coordinator at the Committee to Protect

The government has been especially Nnamdi Azikiwe, nicknamed Zik, was a tough on weekly magazines — Tell, The journalist who had plagued British co-News and Tempo — that investigate lonial officials with a muckraking issues that Nigerian journalists said the government considers taboo. Several journalists were arrested, attacked or threatened after reporting on General

### ■ Talks on Civilian Rule End

Political sources said that talks between General Abubakar and political leaders on elections to completé a transition to civilian rule ended inconclusively on Sunday, Reuters reported from

## And Contradict Official Views Risk Prison

By Stephen Kinzer
New York Times Service

ISTANBUL - A couple of dozen of Ragip Duran's friends arranged a farewell dinner for him Thursday night at a restaurant in Istanbul's artistic Asmalimescir quarter. Spirits were high, jokes and stories were told and much Turkish food was washed down with much beer, wine and raki, the potent anise-flavored national drink.

Mr. Duran, a prominent journalist who has worked for several Turkish newspapers as well as for the BBC and Agence France-Presse, is not leaving Istanbul for an extended vacation. Nor has he taken a job or accepted a fellowship abroad. He is going to prison. Turkey has some of the most restric-

tive press laws of any country professing democracy. Journalists who challenge long-established taboos risk falling afoul of the anti-terror law, which bans propaganda for Kurdish guerrillas or other groups that are considered threats to the nation. Under that law Mr. Duran. 43, has been sentenced to serve seven months in prison beginning Tuesday.

His case is far from unique. After a period of tolerance, the Turkish authorities imposed measures in 1993 intended to crush the Kurdish insurgency. Tansu Ciller, the prime minister at the time, authorized the deployment of hundreds of thousands of troops in the mostly Kurdish southeast, and they carried out intensive sweeps through guerrilla areas and evacuated hundreds of villages.

At the same time, a new crackdown on the press began and dozens of intellectuals and others deemed sympathetic to the guerrilla cause were killed by shadowy death squads. The murder campaign has all but ended, but the prosecution and imprisonment of journalists and intellectuals continue.

A court recently upheld the conviction of a leftist social critic, Haluk Gerger, who was imprisoned this year after he published an article portraying Kurdish guerrillas as authentic representatives of the Kurdish people.

Two weeks ago, police also picked up Esber Yagmurdereli, a blind lawyer who is facing a 22-year sentence for "spreading separatist propaganda," and returned him to jail. He had been freed for health

examinations because he said he did not want to be "treated as a special case." Over the last year, prosecutors have spread their net to include not just those who speak favorably of Kurdish nationalism, but also those who support Islamic causes. Recep Tayyip Erdogan, the mayor of Istanbul, is appealing a 10-month prison sentence for making a speech that judges found to be pro-fundamentalist. Another leading figure in Islamic politics, former Prime Minister

several investigations. At the farewell dinner for Mr. Duran. several Turkish journalists spoke bitterly of the European Union's decision in December not to consider Turkey's ap-plication for membership. They said it had led anti-democratic forces here to conclude that there was no reason for Turkey

Necmettin Erbakan, is the subject of

to ease its policy toward dissenters. "The support of Europe has been extremely important to civilians in countries emerging as democracies, like Spain and Portugal," one journalist asserted. "But when it comes to Turkey, Europe just turns its back. How are we supposed to develop democracy here without any help from people who say they support our ideals?"

Mr. Duran's crime was to publish an article portraying Abdullah Ocalan, leader of the Kurdish guerrilla movement, as a thoughtful figure who "cites Zarathustra or Freud" and "gives a lot of importance to equality and fratern-This contradicts the official view that Mr. Ocalan is a ruthless terrorist

without redeeming qualities.
"Since the founding of our republic, four or five subjects have been established as taboos, and you can only write about them if you accept the official line," Mr. Duran said. "You are free to say that Kurds are Turks or that Kurds do not exist in Turkey, but if you try to understand the Kurdish problem and say that Kurds have rights, that is a problem.

The second taboo is Islam, or any suggestion that the republic has not been able to wipe away the influence of Islam in daily life.

"The third is the role and function of the army in the Turkish government and state. Free discussion of the state. problem and its history is ..... inpossible, and the same is true about reasons, but refused to submit to medical relations with Greece and Cyprus."

## Low Prices Hurt

Continued from Page

ening Western strategic interests in the Gulf. generally have avoided hard economic choices. preferring to cross their fingers and hope for a rise in oil prices. But government officials in

rise in oil prices. But government officials in the region are increasingly willing to acknowledge the shortcomings of that approach.

"The recent decline in oil prices may be a blessing in disguise for us," Mr. Saoud, the Kuwaiti oil minister, said in a recent interview. "Although it has been difficult for us to do in the most policically. to do in the past politically, maybe we can search for alternative sources of income." According to the International Monetary

Fund, oil and gas contribute an average of 70 percent of government revenue in the six Arab monarchies - Saudi Arabia, Kuwait, Bahrain, United Arab Emirates, Qatar and Oman—that thake up the Gulf Cooperation Council. The figure for Kuwait is more than 80 percent. While accumulating vast personal fortunes, Arab rulers in the Gulf generally have been

shrewd enough to spend lavishly on schools, hospitals, roads and other projects that benefit their citizenry. They also have guaranteed economic security: In Kuwait, for example, the government employs 93 percent of all Kuwaiti workers, augmenting their salaries with generous allowances based on family size. It also provides Kuwaitis with free land 30-year interest-free mortgages and electricity at roughly one-eighth the cost of production, according to Jasem Sadoun, a former economist at the central bank who now runs a private consulting firm here.

In Kuwait and elsewhere, the arrangement amounts to a kind of social contract: The nulers take care of their subjects, who in turn do not contest the legitimacy of their power. Maintaining that contract was easy when oil prices were high, as in the early 1980s. More

recently, however, it has come under strain.

Alarm bells rang in 1994, when a sharp drop in oil prices forced Saudi Arabia to cut wheat subsidies, contributing to a rare bout of political unrest that culminated in the arrest of several fundamentalist clerics and hundreds of their supporters. Even as oil prices bounced back, domestic critics in Sandi Arabia and elsewhere have accused their leaders of squandering billions on arms, mostly from the United States.

Chastened by their experience of 1994, rulers in Saudi Arabia and other Gulf states generally have acted with restraint, avoiding new spending commitments while using excess revenue to pay off debt to contractors and other creditors. What they did not do, however, was take advantage of higher oil revenue in 1995 and 1996 to initiate the kinds of far-reaching structural reforms advocated by the World Bank and IMF.

"When oil prices went up to \$22 a barrel, the Saudis were saying, 'Okay, problem solved,' "said Kenneth Katzman, a specialist solved. Said Kenneth Karzman, a specialist on Gulf security at the Congressional Re-search Service. If they had said, 'This is a windfall, but we're still going to restructure anyway,' they would have been in a much better position."

But the latest dip in oil prices has only reinforced the message that Gulf states can no longer afford to coddle their citizens with gencrous subsidies and guaranteed jobs. Among other things, they simply cannot keep pace with population growth, now running at more than 3 percent in Saudi Arabia, for example.

It is no accident that those Gulf states with the least oil have the most diversified economies. Bahrain, for example, derives much of pare their citizens for painful changes in the omies. Banrain, for example, derives materion its limited oil revenue from an offshore field it shares with Saudi Arabia. So the ruling Khalifa shares with Saudi Arabia. So the ruling Khalifa subsidized," Mr. Saoud said. "We have to subsidized," Mr. Saoud said. "By have to subsidize omies. Bahrain, for example, derives much of



Helmut Kohl keeping dry at a Mass in Mainz on Sunday attended by more than 30,000 people.

such as ship repairing and financial services.

With oil prices driven lower in recent months by weak Asian demand and a mild

winter in the northern hemisphere, among

other factors, Saudi Arabia and other members

of the Organization of Petroleum Exporting Countries have taken steps to curb production to keep prices from falling further.

On the domestic front, the Gulf rulers are

scrambling to rewrite their spending plans to

Kuwait, for example, is contemplating a

budget deficit of almost \$6 billion for the

coming fiscal year, the government has been

forced to defer payments into its Future Gen-

erations Fund, an international investment

nest egg aimed at securing the country's long-

"We planned to balance the budget by

"Now, it is just a prirage."

Besides short-term measures, governments have begun to address the challenge of eco-nomic restructuring, at least on the margins.

The Saudi government, for example, an-

nounced plans last month to sell off the telecommunications industry and farm out powergeneration projects to private investors. It is contemplating privatizing the national airline, Saudia, which by some estimates is 50 percent over-staffed. The government also has started

training programs aimed at preparing young Saudis for jobs in the private sector.

Saudis for joos in the private sector.

In the same vein, the economy minister if Oman, Ahmed ibn Abdul-Nabi Mekki, told a

local newspaper last month that his government planned to reduce the oil industry's

share of the gross domestic product to about 9 percent by 2020 from 41 percent currently.

talk of turning their country into a free-trade

In Kuwait, meanwhile, cabinet ministers

said Mr. Sudoun, the economist.

reflect the lower prices.

term economic health.

### EUROPE: Kohl Is Expected to Take Hard Line on Bonn's Contribution to EU

he was fed up with national politicians making the EU the 'whipping boy for all ills.' astation of World War II, and do not share Mr. they must conclude a new five-year budget Kohl's instinctive attachment to the European package by next March. Europeans, he contended, want "more Union as something that has rehability the Europe to protect their health, they want more country economically and politically.

Europe in Kosovo, they want more Europe to protect their safety." For many European officials, the desire of

Mr. Kohl to be seen as standing up strongly for German interests was evidence of how weak he regards his own position as he enters the final stages of the campaign for German parliamentary elections on Sept. 27. But perhaps more important, the new attitude from Bonn is seen as an implicit acknowledg-

ment that Mr. Kohl has already stretched himself in signing Germany up to the single European currency despite serious public misgivings.

"He has to give a strong signal that now that Germany has given up the Deutsche mark, there will be a limit to the transfer of power to Brussels," said an official from the Netherlands, one of the smaller EU countries that is concerned about the new German skepticism. As that comment suggests, the skepticism is

likely to persist even if Mr. Kohl rallies against the odds to win an unprecedented fifth term as chancellor. Premiers from Germany's state governments pressed Mr. Kohl in Bonn last week to take a tough line on the EU budget, a clear sign that Germans across the political spectrum are fed up with paying nearly two-thirds of the Union's net budget contribution at a time when Bonn continues to provide more than 100 billion DM (\$55 billion) a year in subsidies to Eastern Germany. And as does his Social Democratic chal-

Continued from Page 1 lenger, Gerhard Schroeder, most of Germany's months ahead. To keep their own budget propolitical leaders hail from a younger generation cess on track and prevent any delay in the commission, struck back late last week, saying that has little personal memory of the dev-enlargement negotiations with Eastern Europe,

"Maybe the time has run out when they feel even-handed and less partisan, and which explains responsible, and willing to pay for past mistakes," an EU official said.

According to figures for 1996, Germany paid 12.5 billion European currency units (\$13.6 mean a delay to enlargement, or less money for billion) more into the EU budget than it received potential Eastern European members than poor in farm and development subsidies, nearly four times as much as Britain, the next biggest net contributor. As a percentage of its gross domestic product, Germany paid about 0.65 per-cent, just behind the Netherlands but more than 10 times as much as France.

Finance Minister Theo Waigel has demanded billion Ecus a year by capping net contributions at about 0.4 percent of GDP. He has won strong anything, be a delaying factor," he said. backing from the Dutch, the Swedes and the Austrians, who also are big contributors.

But if the German protest has won some grudging sympathy elsewhere, no one is rushing to fill their budgetary shoes. France and Italy, the wealthy countries that get the best deal out of the EU budget, have stayed mostly silent. Prime Minister Tony Blair has vowed to defend the EU budget rebate that Margaret Thatcher won for Britain in 1984. And Spain, the biggest net beneficiary from the EU, has led the resistance to any budget changes.

No decisions will be made at the two-day meeting in Cardiff that opens Monday, but EU voiced his opinion that I leaders will face some hard bargaining in the single currency by 2002.

Kohl's instinctive attachment to the European package by next March. Union as something that has rehabilitated the Ironically, Germany wil Ironically, Germany will hold the EU presidency then, a factor that will require Bonn to be more

> why Mr. Kohl is thumping the table now. Even if EU leaders stick to the timetable, Germany's new tight-fisted stance will either

> countries have won in the past. In a sign of the drift, EU officials now routinely talk of 2003 as the likely year when the first Eastern country will join the Union. A few

> months ago, the consensus bet was 2002. Stanley Crossick, director of the Belmont European Policy Center, said current trends

a cut in Germany's contribution of about 7 could push the first wave of enlargement to 2005. Germany's new budget stand "would, if The summit meeting is expected to be a low-key contrast to the leaders' 11-hour marathon

meeting to start monetary union last month. Indeed, it is a sign of the euro's transition from political football to an established feature of the landscape that no substantive discussions of monetary union are planned.

Still, there was some sideline skirmishing on Sunday as Mr. Chirac insisted that a Frenchman would take over as head of the European Central Bank in four years, while Mr. Santer insisted there was no departure date for the incumbent, Wim Duisenberg, who is Dutch, Mr. Chirac also voiced his opinion that Britain would join the

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### INTERNATIONAL

## U.S. and China Seek to End Targeting of Missiles at Each Other

By Steven Erlanger New York Times Service

WASHINGTON — As President Bill Clinton prepares for a summit meeting in Beijing this month, the United States and China are trying to negotiate an agreement to no longer target nuclear missiles at each other, senior U.S. officials have announced.

The officials also said that Washington was pressing China to codify its promises earlier this month to further restrict the supply of missile technology

to Pakistan. The Asia director of the National Security Council, Sandra Kristoff, is in Beijing trying to complete work on the substantive agenda for Mr. Clinton's visit, the first by a U.S. president to

Continued from Page 1

not allowed. In many places vote-buying

and ballot-rigging are problems. Still, any resident may be a candidate for the

freely elected village council, which has

the power to levy taxes and manages

Mr. Wang estimates that he has visited about 1,000 villages, from Gansu Province, the gateway to China's far

west, to Shaoshan in Hunan Province,

where villagers gave him a small copper statue of their famous native son, Mao Zedong, the Communist Party chairman

who ruled China like a latter-day emperor. The statue stands on his bookshelf

at home, near an encyclopedic series on Chinese history and a Chinese trans-

lation of the 19th-century classic by

Alexis de Tocqueville, "Democracy in

In every place he has visited, Mr.

Wang has approached local officials

with a disarming air about him, prodding them to adopt more open primaries and

procedures to ensure voter privacy. At

the same time, he has deftly worked

China's bureaucracy, tapped into vari-

ous personal networks, and at times

called on old friends in provincial gov-

emments or in the national media to

"At first you have just a little bit," he

In early 1995, the weather in Jilin

Province was certainly cold enough for

snowballs. Mr. Wang trekked there to

observe elections in Lishu, a county he

was cultivating as a model of rural de-

mocracy. Though it seemed as though

the cold would lower voter turnout, Mr.

Wang had learned that during good

weather peasants are too busy in the

people braved subfreezing temperatures

schoolroom with faded pictures of Albert Einstein. Madame Curie and other

scientists staring down from the walls.

Smoke seeped from a coal stove and

mixed with cigarette smoke billowing

The three candidates delivered cam-

style, and one sounded as though he were giving a Mao-era harangue. All

obliquely criticized the financial expert-

ise of the village party chief, who had frittered away \$1,200 on an ill-con-

ceived pig-raising venture.

In Dongbaishan, population 1,300,

pressure recalcitrant local officials. Building democracy, Mr. Wang said.

"is like rolling snowballs."

fields to vote.

said. "Then more and more."

local services and schools.

America.

ELECT: Grass-Roots Democracy in China

their hardest decisions at the last moment, U.S. officials say.

The United States tried to get a mutual detargeting agreement with China be-fore President Jiang Zemin's visit to Washington last October, the officials said. But the effort foundered on China's insistence that detargeting be coupled with a mutual pledge of no first use of nuclear weapons in any crisis.

But U.S. strategic doctrine has always rejected pledges of no first use of nuclear weapons, because they are judged essentially meaningless and unverifiable.
Also, during the Cold War, there was the real concern that NATO might have to use nuclear weapons to stop a big in-China since the crackdown on demon-strators at Tianammen Square nine years forces into Western Europe, and Soviet o this month.

suggestions of no-first-use pledges were
Mr. Clinton is to leave Washington on
always rejected.

The party chief, the local leader for 20

years, dropped out after a disappointing showing in the primary, "My thinking

"We need to build a democratic cul-ture," Mr. Wang said. "Our tradition is that you don't speak out toud, you wait

some years, have a revolution and overthrow the government."
No one in China believes that the

world's most populous nation is on the

verge of democracy as the West knows it. The most prominent democracy dis-

sidents remain in jail, under surveillance

Asked at his maiden news conference

as prime minister about the possibility of

holding elections at higher levels of gov-

emment, Zhu Rongji said only that the

government would study and consider

there is no foundation, there will be no

Union, viewed by the Chinese as a com-

bination of political instability and eco-

nomic collapse, serves as a cautionary

tale. Mr. Wang said that the problem for Mikhail Gorbachev, the Soviet leader, was at the grass roots. "He didn't build

any political culture for pluralism at the

grass roots," Mr. Wang said. "He tried

democratic. For a time, Mr. Wang be-

But last year, Mr. Wang was suddenly

normal job rotation. Others say he fell

victim to jealous colleagues at the civil

affairs ministry. Now he does everything

from coordinating aid to flood areas to

building a social safety net for the poor

and unemployed in the cities. On the side, he still consults with local election of-

not as dangerous."

former national security adviser.

China's experiment with village de-

The experience of the former Soviet

Mr. Wang said that if far-reaching political change would ever come to China, it would need a foundation. "If

or in exile.

pluralism," he said.

to impose it from above.

can't keep up with the current thinking,

as well," the official added, referring to Asian nations on the U.S. nuclear um-

Detargeting, though considered part of "confidence building" between na-tions, is essentially symbolic, since missiles can be retargeted again in a matter In a post-Cold War show of good

faith, the United States and Russia have announced that they no longer have missiles targeted at each other, but both after those by India.

nonproliferation experts now advocate. Republicans in Congress have ex-

June 24, and the deadline of the visit is a great spur to the negotiations. But the Chinese, by past pattern, tend to make their hardest decisions at the last moment, U.S. officials say

"We're not going to change our doctrine in the context of China," a senior U.S. official said Saturday. "There are alliance reasons in Asia not to change it, ment, U.S. officials say

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"We're not going to change our doctrine in the context of China," a senior U.S. official said Saturday. "There are alliance reasons in Asia not to change it, ment, U.S. officials say the reliance of Japan and Southeast ficials and Chinese experts, who say it is common knowledge that China has weapons targeted on the United States, and that the United States has many times more nuclear missiles aimed at fused thus far to sign it and its detailed

> Among the key issues for the summit of minutes, experts in nuclear weapons have said.
>
> Annual talks are those involving proliferation—China's exports of potentially dangerous equipment, materials, chemicals and technology to Iran and Pakistan, which

China has agreed to abide by the regime, which covers missiles that can carry a 500-kilogram (1,100-pound) warhead 300 kilometers (190 miles), it has reannexes of banned dual-use equipment.

Chinese technological assistance to Pakistan continues, but Pakistan's recent Ghauri missile was produced with North Korean parts, not Chinese.

Another key issue for Mr. Clinton, recently set off nuclear-test explosions arguably more important than detargeting, is to get China to codify its pledge to



## U.S. Warns Its Citizens of Risks in Gulf

DUBAL, United Arab Emirates -The United States has told Americans in the Gulf to take extra precautions after an exiled Saudi dissident threatened to target all American citizens in his holy war against U.S. forces in the region.

The U.S. continues to receive information from other sources which indicates planning for an attack against Americans in the Gulf," said an advisory issued by the U.S. Embassy in Riyadh. "Therefore the embassy again urges the American community in

Saudi Arabia to maintain a high level of vigilance and alertness, a low profile, varying routes and times for required travel, and treat mail from unfamiliar sources with

suspicion.'
The U.S. embassies in the other five Gulf Arab states of Bahrain, Qatar, Kuwait, the United Arab Emirates and Oman issued similar advisories.

Osama bin Laden, a Saudi dissident living in Afghanistan, told ABC News in an interview broadcast Wednesday that all Americans, whether military or civilian, were

Mr. bin Laden, who has been identified by the U.S. State Department as a major sponsor of what it calls Islamic extremism, is believed to have been a financier of the mujahidin who drove Soviet forces from Afghanistan in 1989. U.S. officials last year branded

him the prime suspect in a 1996 attack on a military housing complex in the eastern Saudi town of Khobar that killed 19 U.S. servicemen. He is also the leading suspect a 1995 car bombing in Riyadh that killed five Americans.

Mr. bin Laden has denied involvement in the blasts.

In Bahrain, headquarters of the U.S. 5th Fleet, which patrols the Gulf, the U.S. Embassy told Americans to "continue to maintain a high level of security awareness."

## A poster in Beijing promotes a video about the trips by the U.S. and Chinese presidents to each other's country.

### ECONOMY: Weakness of Yen Holds Possibility of New Trauma Emerging From Crisis Continued from Page 1

mocracy has become a favorite cause ing markets stand to be tested yet among Americans looking for a reason to hope that China is becoming more

"If matters were to stop there it would came a common name on American be grave enough. But investors are now also seeing the real possibility of serious guest lists. On his bookshelf, he has photos of himself meeting Vice Prescredit losses out of Asia," he added, raising the prospect of a crisis that will ident Al Gore and Brent Scowcroft, the be intensifying as it widens.

The one depressing point on which all reassigned to a job running disaster relief. to listen to candidates in a decrepit Some people who know him say it was a for the upper house of the Diet.

For analysts at Lehman Brothers as well as J. P. Morgan, it is now increasingly a question of "when" China devalues the yuan rather than "if" - a gion's problems.

paign speeches. One spoke with a folksy ficials and researches local elections. "Disasters are no problem," he said. This is the one issue on which opinion is deeply split. Paul Meggyesi at Deutsche Bank in London thinks that "They're not like democracy. They're NEXT: A cultural figure transforming Japan on world export markets "China

ation card to extract concessions in other bear, is now looking for 180 yen by strategic areas such as membership in year's end. the World Trade Organization."

spending looks less impressive as the the region, as well as Japan, the cur-

"The huge fiscal package makes for analysts appear to agree is that there is great arithmetic," said Jesper Koll at stitute in Japan estimated that "for each little likelihood of any new policy action J. P. Morgan in Tokyo. "It will no doubt one-yen-per-dollar decline in the value of in Japan until after the July 12 election boost activity so that the economy will the yen, Japanese banks have to cut their United States' to shrink their holdings be growing at an 8 percent annual rate the third quarter."

But, he added, it is still inadequate economics as "it is not likely to trigger a percent of gross domestic product." values the yuan rather than "if" — a sustained recovery in private sector development that would add to the respending "that is needed to get the econ-

omy moving.

Meanwhile, with the yen falling last week to an eight-year low against the dollar, analysts are busily reworking the yen value of the assets of the yen value of the asset of the yen value of the asset of the yen value of the assets of the yen value of the asset of the yen value of the ye with China not a direct competitor of Japan on world export markets "China may be willing to trade off the devalution of the devalution of

The yen's weakness has repercussions Although Japan's huge spending package will begin to feed into the beleaguered economy starting at the end of the month, experts fret that the size of the size of the problem shows no sign of rency's weakness worsens a credit crunch already in full swing.
Richard Koo at Nomura Research In-

assets by about 1 trillion yen. A rive-yen depreciation, therefore, means a 5 trillion yen credit crunch, which is equivalent to 1

Mr. Koo added, "A decline in the yen fuels the credit crunch because it raises the yen value of the assets held abroad by Japanese banks - most of which are

With foreign assets of more than \$1

The pressure on the capital-adequacy ratios is exacerbated by the decline in the Nikkei stock average since unrealized capital gains on stock holdings are allowed as a portion of the Japanese banks' capital

Meanwhile, with public funds having

been used to strengthen the banks, Mr. Koo said that "it has become politically difficult for the banks to openly persist with the credit crunch at home. As a result, Japanese banks are cutting assets outside Japan, especially in Asia and the

Increasingly, foreign analysts now are joining Mr. Koo in urging that public money be used to relieve the banking system of its bad loans - just the way it was done in the United States and the Nordic countries -- as a necessary step to get the economy moving.

But in the political vacuum preceding the mid-July election, analysts see only further weakness of the yen and the only question is just how devastating this is likely to be for the rest of the world.

## BALKANS: NATO Aircraft Deploying to Back Up Kosovo Policy

### Continued from Page 1

with the Kosovo Muslim citizens about new arrangements for the province.

Ahead of the talks, Mr. Cook offered a direct message to Mr. Milosevic: "He must not imagine that the international

community is going to make the same mistake that it did in Bosnia when it left it too late to intervene. 'We have learned that lesson," Mr. Cook said in a phrase that summed up of military force in Kosovo. calls for action voiced this weekend by several leaders, including President

Jacques Chirac of France. NATO's secretary-general, Javier So-lana Madariaga, said in Rome: "On Kosovo, let me be quite clear that NATO a repeat of the situation in Bosnia in 1991."

And the U.S. secretary of state, Madeleine Albright, on Sunday called the bloodshed in Kosovo "unacceptable," and said the world was determined to prevent another Bosnia.

Despite French sensitivities about

seeing NATO gain too much visibility as the key body in European security, Paris has said that it will send fighter-bombers to participate in the air exercises.

Committing airpower to a quasi-combat situation for the first time since World War II, Germany is sending Tornado fighter-bombers to fly in the operation. Some of the planes will operate off a U.S. carrier in the Adriatic, with others, including the AWAC's command-and-control aircraft, will fly from allied bases. Italy, Belgium, Britain, Italy, the Netherlands and Spain rounded out the list of countries that have announced their participation in the 40plane exercise, called "Determined Fal-

The demonstration of ready airpower, ahead of wargames involving ground forces in the coming weeks along Kosovo's borders with Albania and Macedonia, is designed to convince Mr. Milosevic that the West is ready for steep escalation if he makes it neces-

sary. Russian objections, one of the major obstacles to military intervention, could

quiesce in calls for military intervention as the price for getting help from the United States and its allies to save the foundering ruble and Russian econo-

What Western governments want. diplomats said, is for Russia to abstain in the Security Council, clearing the way for a UN resolution authorizing the use

But the possibility of NATO military action even without a UN mandate has emerged in discussions among allied leaders and gained powerful momentum Sunday when Germany seemed to acquiesce in the idea.

too much time, so "we must recognize dependence ethnic Albanian leadership, mandate quickly and that Milosevic will ades into villages in the Decani area in use that time for further murder, de- western Kosovo on Sunday, in what struction and expulsion," Defense Min-ister Volker Ruhe said in an interview to armed ethnic Albanian secessionists.

Then Mr. Yeltsin might feel able to be published Monday in Bild newspasay that he had no choice but to acper, a mass-circulation daily. As refugees continued pouring over

the borders of Kosovo in numbers amounting to perhaps 1,000 a day, Al-bania received four cargo flights and a cargo ship bringing emergency relief supplies, including plastic sheeting for makeshift shelters, mattresses and cook-

### ■ Kosovo Clashes Spread

Clashes escalated along several Kosovo fronts on Sunday, with Serbs and Albanians accusing each other of starting a series of incidents, The Associated Press reported.

In Pristina, the Kosovo information Getting a UN authorization could take center, which is close to the pro-inthat we may not be able to obtain such a said Serbian forces launched 500 gren-



A Kosovo ethnic Albanian being comforted by his grandmother as they rested on Sunday after having reached Albania by crossing over rugged mountains under the control of Serbian police units and soldiers.

## TRIBUNAL: Jurists Meeting in Rome to Establish an International War Crimes Court

### Continued from Page 1

"norm-declaration" - formally setting rules for human conduct - the Rome delegates will put together an intricate piece of legislation riddled with unresolved issues.

"I'm not sure we've seen a treaty negotiation under UN auspices going into the final conference with so many big issues unresolved," said a senior U.S. official, who requested anonym-

At the heart of many of the debates will be the issue of sovereignty and how much of it countries are willing to give

Those pushing for a court with the broadest prosecutorial powers and judicial independence frame their arguments around the crimes and the criminals who would be brought to justice.

"The world has seen 250 conflicts since World War II and 170 million victims, and most of the perpetrators melt if Mr. Yeltsin tries and fails to have benefited from impunity," said M. extract concessions from Mr. Milo- Cherif Bassiouni, author of the draft treaty and head of the drafting com-

mittee at the conference. "The people want accountability."

Most nations favor some kind of criminal court. But governments, especially those of the United States, France and other major powers, also view the treaty through the lens of a potential defen-

An American scholar close to the drafting process compared the criminal court negotiations to the contentious ones that led to the establishment of the World Trade Organization. He put the dilemma this way: "How can we defend ourselves against phony claims and still be able to bring bona fide claims against

Like factions in many major-power governments, the Pentagon and the Senate Foreign Relations Committee, led by its chairman, Jesse Helms, Republican of North Carolina, focus on a more specific challenge posed by a criminal court. Would the United States ever permit its citizens, notably professional soldiers, to stand trial before a "higher"

other countries?"

court of criminal law? "It's the My Lai syndrome." said the

scholar, referring to the Vietnam War's most memorable case of U.S. atrocities against civilians. If Lieutenant William Damage to the environment? Commit-Calley had been acquitted, he asked, "could a permanent court in The Hague have prosecuted him?" And could such a court have prosecuted Robert Mc-Namara, who was then secretary of de-

fense? he asked. Mr. Helms has said such a treaty would be dead on arrival at his committee, a key passage in its path toward Senate ratification. Joined by France, Canada and other

countries, American negotiators led by David Scheffer, U.S. ambassador for war crimes issues, will be pressing for treaty language that guarantees that states have first crack at trying such cases.

The questions left for the negotiators

to settle here are legion, beginning with basic definitions of what constitutes genocide, crimes against humanity and war crimes, the core crimes of the stat-

What would be covered? Inhumane treatment? The taking of hostages? into force, after a ratific Sexual slavery? Starvation of civilians? that could drag into 2000.

ting outrages against personal dignity, such as South Amer a former apartheid system of racial separation? All these considerations remain unsettled.

More politically sensitive yet are possible trigger mechanisms for prosecution: Who would have the right to ask for an investigation of a crime - the UN Security Council? The state where the crime occurred? What about war crimes that take place in states that are not party to the treaty? (China, among others, probably will not be a signer.)

"There is more to fear from an impotent than from an overreaching prosecutor," said Louise Arbour, chief prosecutor of the United Nations' twin ad hoc criminal tribunals for the 1992-95 war in Bosnia and the 1994 genocide in Rwanda.

One point has been resolved: The court will only try genocide and war crimes that occur after the treaty goes into force, after a ratification process

### **Danes Inaugurate Europe's Longest** Suspension Bridge

COPENHAGEN --- Queen Margrethe II opened Europe's longest suspension bridge Sunday, the East Bridge over the Great Belt waterway, linking eastern and western

Denmark.
The bridge establishes the first road link between eastern Denmark
— the island of Zealand, which includes the capital, Copenhagen — and the Jutland Peninsula, the western mainland of the small Nordic

With a main span of 1,624 meters (5,328 feet), the East Bridge is Europe's longest suspension span and the second longest suspension bridge in the world. The longest is the Akashi Kaikyo Bridge in Japan, which opened in April and which spans 1.991 meters between its towers. The previous European record holder was the Humber Bridge

in England (1,410 meters).

Built over a 10-year period at a cost of 38 billion crowns (\$5.6 billion), the new East Bridge rises to 72 meters above sea level at its midpoint.

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Queen Margrethe opened the bridge for road traffic to the cheers of more than 10,000 people. "We'll now cross the country in one zip with the skies above us and

the sea under us." Queen Margrethe After the ceremony, the queen and her husband, Prince Henrik, drove across the bridge. The royal motorcade stopped at the highest point. The queen threw flowers into the sea in memory of the seven workers who died during the con-

struction work. The crossing will now take about 10 minutes — less than a fifth of the time it took to sail.

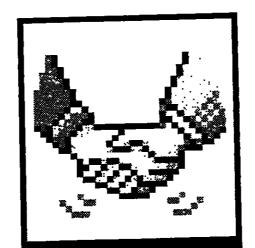
The toll for the overall 18-kilometer drive is 210 kroner (\$30). while a one-way ferry crossing costs 335 kroner. (Reuters, AP)

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U.S. Warns,
Its Citizens of
Risks in Gulf

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Hansala Indugurah



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PAGE 16



Global markets, global communications, global technologies... the trend seems to be to globalize pretty well everything.

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THE WORLD'S DAILY NEWSPAPER

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### INTERNATIONAL

## Eritrea Accepts Talks To End Border War

ASMARA, Eritrea - Eritrea said Sunday that it was ready for face-toface talks with Ethiopia to seek an end to an undeclared border war with its former ally in which hundreds of people have died.

President Issaias Afewerki told a visiting Italian presidential envoy, Rino Serri, that he was ready to hold direct talks with Prime Minister Meles Zenawi of Ethiopia.

A senior Eritrean official, Yemane Ghebremeskel, said that his country also wanted a "broadened sphere of

Mr. Serri later flew to the Ethiopian capital, Addis Ababa, where diplomats said that he immediately went into a closed-door meeting with Mr. Meles. Mr. Serri made no statement to the media before meeting the Ethiopian leader.

Ethiopia had previously rejected calls for direct talks, saying Eritrea must withdraw its troops first.

The territorial dispute between the two Horn of Africa neighbors simmered for months before boiling over into violence on May 6.

Ethiopia claimed on Sunday to have killed or wounded 10,990 "enemy soldiers," captured 150 troops and seized thousands of light and heavy weapons on the Badme, Zala Ambessa and Assab fronts.

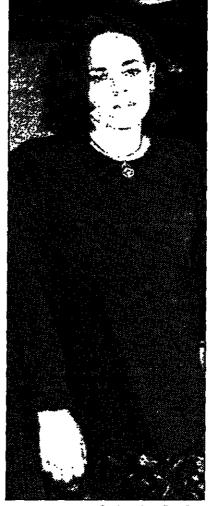
"Damage to our forces was min-imal compared to enemy losses," an Ethiopian government spokeswoman, Selome Taddesse, said. "Figures will be available shortly." The claim could not be independently con-

Witnesses said last week that Eritrea had occupied the Ethiopian village of Zala Ambessa, and each side accuses the other of violating its territory in a war being fought on three sectors of their 1,000 kilometer (621mile) frontier. An Ethiopian local official in the

town of Inda Silase said Saturday that the dawn invasion early last month by Eritrean forces, in what has become a front near the towns of Badme and Sheraro, caught everyone by sur-

"We had not one soldier of the Ethiopian Army in the area when Eritrea invaded." said Kiros Bietoul. the chief administrator for Western Tigre Province, which includes

There were no reports of any further fighting on the border on Sunday.
In Asmara, Mr. Serri described his 90-minute meeting with Mr. Afewerki on Saturday night as "very en-couraging." He said Italy viewed peace proposals from Rwanda and the United States as "a good starting point to negotiations." (Reuters, AP)



Margalit Har-Shefi walking into court in Tel Aviv on Sunday.

## Friend of Rabin's Killer **Convicted of Complicity**

TEL AVIV — A young woman who was a friend of the killer of Prime Minister Yitzhak Rabin was found guilty by an Israeli court Sunday of failing to prevent the 1995 assassination.

A Tel Aviv judge said the woman, Margalit Har-Shefi, 23, knew that Yigal Amir, 28, had been stalking Mr. Rabin

Judge Nira Lidski set sentencing for Sept. (5. The charge carries a maximum

jail term of two years. Leah Rabin, widow of the slain Israeli leader, welcomed the verdict, saying, "What I see in the conviction today is one small beam of light that not everything is lost in our world."

The prosecution said Mr. Amir boasted to Ms. Har-Shefi that he was planning to assassinate the prime minister in order to stop the peace process and the handing over of land to the Palestinians. Mr. Amir is serving a life sentence.

Ms. Har-Shefi pleaded innocent, telling the Tel Aviv Magistrates Court she did not believe Mr. Amir really intended to kill the prime minister. But the judge said there were con-

tradictions in Ms. Har-Shefi's testimony and that it was clear that she was aware of the intention.

'She took him seriously, not as a liar

indulging in fantasies," she said.

The judge noted that on the night of the murder, when Israel Radio reported that the killer was from Mr. Amir's home town, Herzliya, Ms. Har-Shefi

immediately telephoned Mr. Amir.
Ms. Har-Shefi testified that Mr. Amir.
a right-wing extremist, told her that religious precepts permitted him to kill Mr. Rabin because the prime minister's plans to hand over territory to the Palestinians threatened the security of Jews. Mr. Rabin was shot to death at a peace

rally in Tel Aviv.
Judge Lidski said, "Only one conclusion can be made from all the evidence and that is that the defendant knew Yigai Amir was planning to commit a crime, that is to say to murder the prime minister.

The judge said Mr. Amir told Ms. Har-Shefi about two occasions in which he set out to kill Mr. Rabin but failed. "In light of all this I convict the defendant of failing to prevent a crime,"

the judge said. Mr. Amir's brother and another friend were convicted previously as conspirators and sentenced to 5 to 12 years in prison.

Six months after the killing, Israelis narrowly elected the Likud leader Benjamin Netanyahu as prime minister over Mr. Rabin's Nobel Peace Prize co-recipient, Shimon Peres. (AP. Reuters)

## Hamas Chief May Return to Gaza

Agence France-Presse GAZA - Sheikh Ahmed Yassin, founder of the Islamic militant group Hamas, will be allowed to return to his home in the Gaza Strip after a four-month tour of the Middle East, a Harnas official said Sunday.

"An official in the Palestine Author-

ity told us that Sheikh Yassin could return to the Gaza Strip as of Friday and not Monday," the official said.
"He asked to us to make arrange-

ments so that the security conditions for his return can be coordinated between the Palestine Authority and Israel.'

Sheikh Yassin was in Sudan on Sunday and has been promised an entry visa for Egypt, from where he could travel to Gaza, according to the Hamas representative in Khartoum, Jamal Eissa.

According to Egyptian officials, Sheikh Yassin will be welcome in Egypt and he can stay for any period of time he wishes." Prime Minister Benjamin Netanyahu

of Israel indicated on Friday that the Israelis would allow Sheikh Yassin to return to the Gaza Strip but said a final decision had not been made. Hamas threatened Israel with a wave

of violence if Sheikh Yassin was pre-vented from returning home. The Palestine Authority also warned that a ban could signal the end of the already faltering peace process.

The sheikh's tour has taken him to

Iran, Kuwait. Qatar, Saudi Arabia, Sudan, Syria, the United Arab Emirates and Yemen. According to the Israeli press, the sheikh has raised \$50 million for the

Hamas organization's operations.
The trip came as Mr. Arafat has had to deal with rising frustration among Pal-estinians over the deadlock in the peace

process, blamed on the intransigence of the rightist Mr. Netanyahu. Mr. Yassin infuriated Israeli officials during his tour by calling for continued attacks, including suicide bombings,

against the Israelis. But President Ezer Weizman of Israel said last week that Sheikh Yassin's return to autonomous Palestinian territory would enable Mr. Arafat to monitor

"It is better that he be near us," Mr. Weizman said, "because Israel does not have the means to control his activities in the Arab countries.

### BRIEFLY -

### Lebanon Elections Go to Last Round

BAALBEK, Lebanon — Leb-anese voted Sunday in the final round of local elections, the first in 35 years, which were seen as a test of whether democracy can help eliminate sectarian rivalries linger-ing from 15 years of civil war.

Security was tight. Armored personnel carriers and troops were stationed near polling stations. Tanks were seen in some areas of the Syrian-policed eastern Bekaa Valley, where the fourth stage of the elections was being held.

Official results were expected to be announced Monday or Tues-(Reuters)

### Muslim Rebels Kill 4 Near Algiers

ALGIERS - Muslim rebels slashed the throats of four civilians near Algiers, bringing the death toll to at least 120 in the last eight days,

a newspaper said Sunday.

Liberte said the rebels killed the four people in the coastal Bou Smail area in Tipaza province, 60 kilometers (40 miles) west of Algiers.

Among the dead in the recent violence are at least 17 people killed by a bomb on a train, 25 progovernment militiamen ambushed by rebels and more than 60 rebels shot by troops assaulting guerrilla strongholds, security forces and newspapers say. (Reuters)

### Attack on Gadhafi

CAIRO - A Libyan Islamic opposition group took responsibility for a reported attack on the Libyan leader, Moammar Gadhafi, the newspaper Hayat said Sunday.
The Libyan government had

denied such an attack, which travelers from Libya said took place on June 1. The ambush on his motorcade slightly injured Mr. Gadhafi. At least four bodyguards were reportedly killed. (AP)

### For the Record

The Mexican Army shot 14 left-ist guerrillas, killing 12, who were trying to surrender in a mountain village in Guerrero state last week. a survivor has charged, according to media reports.

### **BOOKS**

### **FAMILY MAN**

By Calvin Trillin, 184 pages. \$20. Farrar Straus Giroux.

Reviewed by Jonathan Yardley

ALVIN TRILLIN is like an old shoe. Whatever he may be writing about, he always makes you want to slip into it and get comfy. This may seem like a modest compliment, but it is a high one indeed. Few tricks are more difficult for the journalist to pull off than being consistently likable and engaging, making oneself and one's little world interesting and appealing to others.

Over more than three decades and nearly 20 books, this is just what Trillin except she's George and he's Gracie''; about his late father, and about a friend amiable and funny, but as with all real

To wit, in this account of his life as what to watch to the time when they natural-born manufacturers wandering it's a pity he did.

were advising us what to listen to.' The into Birmingham or Leeds just in time Washington

girls are children only for a while; their passage into adulthood, as Trillin gently reminds us, is exhilarating for them and

us, but painful as well. There's not much pain, though, in Family Man." It's a discursive book that begins in one place and ends at another. Some editor may have sugcharming effect in "Fatherhood." Whatever the case, Trillin begins with the unexceptionable observation that getting advice on the best way to bring you're probably going to forget it and go back to your regular old in-and-out." And along the way he takes a few wellaimed swipes at the child-rearing police, but mostly this is just a reminiscence of what it was like to be the father of

for the industrial revolution. Disposable diapers were introduced. Someone invented umbrella strollers --- the sort that fold up into something not much larger than a shooting stick. The Jolly Jumper, a sort of seat on springs that hung in a

doorjamb, went on sale." If this makes Trillin seem a state-ofthe-art parent, the impression is false. He lives in a hip city (New York) in one of its hippest neighborhoods (Greenwich Village), but he is an old-fashioned man whose heart is still in Kansas City and whose notions of how children are reared were shaped by his own upbringing. As he writes, he and Alice "were up children is like getting advice on the lenient about small matters and strict best way to breathe; sooner or later, about large ones. We never had to talk lenient about small matters and strict about which were which.'

One thing that unquestionably makes for a good parent is the survival into adulthood of one's own childhood. When Trillin writes about dressing up for Halloween, there's reason to believe that this was every bit as much fun for him as Trillin is now in his early sixties, and for the girls — which, one assumes, is an

The book is somewhat less successful o, Snugli — made the job a lot easier: than the father. "Family Man" is always "Whether it was snowsuits or diaper enjoyable, as Trillin himself always is, father to two daughters with whom he is pins, what I was getting at is the im- but there's a lot of recycling in it: exquite hopelessly besotted. Trillin takes portance of what you might call baby tensive quotations from previously pubrueful note of the passage of time: technology. By chance our children ar- lished columns for Time magazine, Looking back, it seems remarkable rived during a period of enormous tech-how quickly [he and Alice] passed from nological advances in the care of babies; books. Self-quotation is a risky business; the time when we were advising them Abigail and Sarah were like a couple of Trillin doesn't need to bother with it, and

Washington Post Service

to ruff and lead from his jack

into the ace-10. Two natural

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## Creator of 'Andy Capp' The Associated Press

81, the cartoonist who created ciation reported.

Mr. Smythe drew his sto-

mother.

Ken Layson, cartoon editor of the Daily Mirror, where the strip has a result of the daily Mirror, where the strip has a result of the daily Mirror, where the strip has a result of the daily Mirror, where the strip has a result of the daily Mirror, where the strip has a result of the daily Mirror, where the strip has a result of the daily Mirror, where the strip has a result of the daily Mirror, where the strip has a result of the daily Mirror, where the strip has a result of the daily Mirror, where the strip has a result of the daily Mirror, where the strip has a result of the daily Mirror, where the strip has a result of the daily Mirror, where the strip has a result of the daily Mirror, where the strip has a result of the daily Mirror, where the strip has a result of the daily Mirror, where the strip has a result of the daily Mirror, where the strip has a result of the daily Mirror, where the strip has a result of the daily Mirror, where the strip has a result of the daily Mirror, where the strip has a result of the daily Mirror, where the strip has a result of the daily Mirror, where the strip has a result of the daily Mirror, where the strip has a result of the daily Mirror, where the strip has a result of the daily mirror of the dai strip began running in 1957, said Mr. Smythe left a year's

worth of cartoons. The character eventually

Jeanette Nolan, 86,

began her film career in 1948 as Lady Macbeth opposite Orson Welles and is now being seen as the mother of the ing seen as the mother of the character played by Robert Redford in "The Horse Whisperer," died on June 5 in

After a brief stint with Fred Los Ángeles.

Miss Nolan's 70-year career in acting also included roles in theater, radio and television.

In the 1930s, long before stars, Miss Nolan and her hus-band, John McIntire, an actor whom she married in 1935, 1977. maintained a log cabin in the Rockies 3 miles (5 kilometers) from the Canadian border and 14 miles from the nearest mail drop.

trapped beavers (whose fur became a coat for Miss Noian), and weathered temperatures of 55 below zero (-48

LONDON — Reg Smythe, degrees centigrade).

1, the cartoonist who created She baked her own bread, the comic strip "Andy churned her butter, and, in Capp," died of cancer Sat- one year, she said, put up 500 urday, Britain's Press Asso- quarts of vegetables, fruit and

venison. When the couple needed to ries of Capp, an idle male replenish their capital, — Mr. chauvinist, from the northern McIntire said all you needed England town of Hartlepool, in Montana was a \$200-awhere he lived his entire life. year grubstake — they would Mr. Smythe once said he go to New York and star in

modeled Capp's character on his father and Capp's long-suffering wife, Flo, on his film debut in "Macbeth," she

Joe Dixon, 81, a Jazz Musician for 50 Years

NEW YORK (NYT) was featured on the stage mu-sical and became a TV series and saxophonist who played and saxophonist who played with many of the great jazz ensembles during a career that began in the 1930s and Radio, Film, TV Actress lasted about 50 years, died on

Waring's Pennsylvanians, he joined the Navy during World War II and played with Eddie Condon's band while stationed in New York. After his In the 1930s, long before discharge, he worked with the Montana became a popular CBS staff band and with the hideaway for show business NBC Orchestra before joining the faculty of Adelphi University on Long Island in

Richard Bodig, 75, an economist who was also a linguist, a singer and a student of early music, died on May 26 There they watched the in New York. Fluent in 10 stars through a skylight in the languages, he translated 16throof, fished for trout off the century and 17th-century back porch, bagged an occasional bear or deer for food, practice from Italian and German into English and in 1995 published a collection of Renaissance duets. (NYT)

Reg Smythe, 81, Dies; Subscribe and SAVE up to 53% off the cover price. Also available: PAY MONTHLY

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### BRIDGE

By Alan Truscott

Hampshire House at 150 proud. Central Park South. The prin-

are director, Erik Berger. The Beverly will eventu- three-two trump split.

the next few months.

ally be a membership club.

pleted a metamorphosis. The was the owner and manager Beverly, which has been on of the Beverly and a very pop- heart to the king and judged the East Side of Manhattan ular figure in the world of that West's heart queen was a for 40 years and was for a bridge. On his favorite deal, singleton because he was time the biggest anywhere in shown in the diagram, he suc- known to have length in both terms of total tables, is now on ceeded in making a trump minor suits. the West Side. Its new home, trick disappear, a feat of beautifully furnished, is in which any conjuror would be

cipal proprietors, Joan System, and his partner, Jim king, throwing a club from Dziekanski and Bob Blan- Hamilton, therefore opened chard, have worked furiously the North hand with a strong the North hand with a strong the North hand with a strong than the North hand with a str to prepare for the opening artificial one-club bid. They winners, ending in dummy while mourning the death on landed in six hearts, which East's last three cards were to prepare for the opening artificial one-club bid. They

but everyone can enjoy it for ceptive.

May 22 of their chief duplicapparently needed a winning the jack-nine-eight of trumps. diamond finesse and a normal and when the last diamond

was led from dummy, he had

♥ J 9 8 5 ♦ J 9 3 ♣ 9 8 SQUTH • K 10 7 5 2 • K 6 4 3 Both sides were vulnerable. The

### **CROSSWORD**

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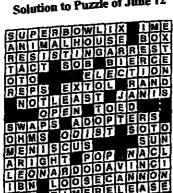
Heart" (1987 hit)

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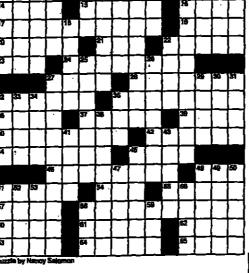
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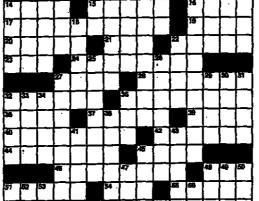
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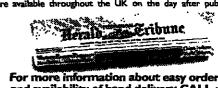
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41 "Animal House" 43 Blender maker 45 Final transport 47 Story of Achilles 48 Put up with 49 Magical wish granter 59 Noses (Out) 51 TV commercial

56 Tournament 68 Train terminal:

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has done. He has written with brio about food and his own passion for it; about his wife, Alice, of whom someone once said. "They're like Burns and Allen, who died too soon. Most of the time he is humorists there is an undercurrent of he came to fatherhood at a time when a important part of why they had fun.

gested to Trillin -- maybe he thought it up all by himself - that he ought to write a lighthearted book about child-rearing, as Bill Cosby did some years ago to such

Abigail and Sarah Trillin.

darker things in his work; he rarely calls great rush of products — Pampers, Velattention to it, but the reader senses it. cro, Snugli — made the job a lot easier:

But appearances were de-A diamond was led, and trump tricks had turned into O'NE of the country's leading clubs recently com- his death in 1994, Jim Becker succeeded, the first hurdle when the finesse of the queen one, and the slam was made. had been cleared. South led a

South cashed the acequeen of spades and the aceq

PAGE 16

## **Diplomacy for Kosovo**

The mock air attacks that NATO plans to carry out on Monday in the Balkans are a timely and reasonable response to the growing military vi-olence being orchestrated by Slobodan Milosevic, the Yugoslav president, in the Serbian province of Kosovo. As seen with Iraq earlier this year, diplomacy backed with a show of force can move a leader with a history of failing to respond to gentler forms of

international persuasion. As the Kosovo crisis grew more severe in recent weeks, Washington first tried to encourage a negotiated solution by offering Serbia relief from economic sanctions. When that failed to dissuade Mr. Milosevic from military action. America and its allies issued a series of clear warnings that

their patience was running out.
All outside powers, including Russia, now agree that Mr. Milosevic's forces have been primarily responsible for the increasing violence against Kosovo's Albanian majority population. That includes the deaths of some 200 civilians, the expulsion of more than 50,000 people from their homes and the flight of 10,000 or more of these uprooted refugees across inter-

national frontiers. Most recently, the Yugoslav army has sown deadly land mines along Kosovo's border with Albania, raising the risk of a broader regional conflict. NATO hopes that its simulated air raids against targets in Kosovo's im-mediate neighbors, Albania and Macedonia, will convince Mr. Milosevic

that he must end the violence and begin good faith negotiations.

This show of force is part of an international diplomatic strategy. The Clinton administration is right to stress that its goal remains a diplomatic solution, not a military one. Russia's President Boris Yeltsin can help diplomacy succeed if he takes a firm line with Mr. Milosevic in Moscow on Tuesday.

Mr. Yeltsin should quickly dispel any illusions Mr. Milosevic may have that his big Slavic brother will defend him no matter how outrageously he behaves in Kosovo. Mr. Yeltsin should use his considerable influence to warn the Yugoslav leader that he must rein in his forces immediately.

That kind of blunt diplomatic mes-

sage from Russia, coupled with NATO's demonstration of airpower, should convince Mr. Milosevic that he should back off. If it does not, before Washington contemplates moving any further down a path that could lead to American military intervention the Clinton administration must do what it has not done to date.

It must spell out what specific political goals it means to achieve in Kosovo, what role military force might play in advancing these, and what kind of limits - chronological, geographical and operational - it is prepared to impose on any American mission. Without such clarifications there cannot be the kind of informed debate that a democracy requires before considering the use of military force.

-THE NEW YORK TIMES.

## **Honesty With China**

Bill Clinton on Thursday defended his China policy, saying the world is better served by engagement than by isolation. But, as critics from conservative Gary Bauer to liberal Senator Paul Wellstone point out, that is not really the issue; the issue is how the United States will engage with China. In that regard, President Clinton's speech did little to allay concern that his administration is so eager for warmer ties with China that it too easily will sacrifice U.S. interests on matters such as nonproliferation and U.S. principles when it comes to human rights.

At a minimum, U.S. engagement with China should be based on an honest assessment of that nation's behavior and of the fruits of the relationship. The same day Mr. Clinton spoke, a hearing before the Senate Foreign Relations Committee suggested that such honesty has been missing from the Clinton policy. The administration was so eager to broaden commercial exchanges with China, and in particular the launching of U.S. satellites atop Chinese missiles, that it downplayed or dismissed strong evidence of Chinese actions damaging to world stability.

Gordon Oehler, former director of the CIA's Nonproliferation Center, told the committee that U.S. intelli-gence agencies were "virtually cer-tain" that China had sold nuclear-capable missiles to Pakistan, which should under U.S. law have triggered sanctions. But the Clinton administration chose to ignore the evidence, Mr. Oehler said, adding that "intelligence analysts were very discouraged to see their work was regularly dismissed" by Clinton aides.

It takes a particular level of chutzpah for Mr. Clinton now to point to Pakistani and Indian nuclear tests as a justification for closer ties with China. India's unfortunate decision to test undoubtedly stemmed from a complex mixture of motives, but certainly part of the stew was China's assistance to Pakistan's nuclear program - insuf-

ficiently condemned by the United States - and U.S. fawning over China, disproportionate to the attention paid surrounding democracies such as Japan and India. Now Mr. Clinton is pointing to the negative results of that flawed policy to justify its continuation.

The same lack of forthrightness is evident in Mr. Clinton's discussion of human rights. He claimed credit, during a news conference last Tuesday, for the release of "several" political dissidents, and said that because of the U.S.-China relationship "it has been made more likely that political dissent would be more respected." And, in his speech, he claimed support for his policy from Wang Dan, one of two dissidents recently released into exile.

But Mr. Clinton did not mention the thousands of political prisoners who remain in jail and the many who have been arrested even since the release of Wang Dan and Wei Jingsheng, he did not mention how dissidents and even U.S. citizens, returning to China to visit relatives, are being harassed apparently in connection with his upcoming visit; he did not mention how Bao Tong, a purged senior official, has been warned to remain silent after giv-

ig a few candid interviews. It is true that Wang Dan, a student leader during the 1989 Tiananmen demonstrations, supports a policy of engagement, including Mr. Clinton's visit. But when asked about the president's decision to be received at Tiananmen Square, the modest and cautious Mr. Wang told The Washington Post: "Of course, in terms of my own feelings, I'm not comfortable with it. But I respect the American government's right to make its own

decisions. 'I would like to see better economic cooperation between the two countries," Mr. Wang added. "At the same time, I hope the U.S. government will maintain an adequate moral standard.' That is the kind of engagement most Americans could support.

- THE WASHINGTON POST.

### Other Comment

### Russians Are Undecided

Since the Russian stock market crash, much has been said about the inconsistency and halfheartedness of reform in that country. But unless we take Russian politics into consideration, we can neither analyze the current predicament nor devise ways to escape it.

Quite apart from the malfeasance, venality, ignorance and wrong choices that have marred their implementation, Russia's reforms have been inconsistent and halfhearted because Russian voters have been deeply divided.

In the most recent parliamentary elections (December 1995), 21.4 mil-

lion votes were cast for pro-reform blocs and parties and 22.3 million for the four leftist parties, chiefly the Communist Party. The Communist-led plurality has been setting the tone in the Duma.

In virtually every vote on economic matters, the Communists were joined by Grigori Yavlinsky's Yabloko fac-tion. For both the Communists and Yabloko, vehement opposition to virtually anything the government undertook was the key to keeping faith with their electorates. For both, the worse for the regime, the better for them.

 Leon Aron, commenting in The Washington Post.

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## A Permanent International Criminal Court at Last

GENEVA — Delegates from virtually every country gather in Rome this Monday for a five-week diplomatic conference to finalize a treaty establishing a permanent Inter-national Criminal Court. The Court will be the last major international institution established in this century.

For many around the world, these six weeks are an opportunity to close the gap between rhetoric and action on the worst violations of human rights.

An International Criminal Court

should bring to justice the perpetrators of the worst crimes - genocide, war crimes and crimes against humanity. For the last 50 years it has been easier to get away with killing 100,000 people than just one. The gathering in Rome aims to change that and create a world in which there will be no safe haven for the likes of Idi Amin or Pol Pot.

Rome is about recognizing justice as a global value, essential to the wellbeing of our societies. Assessing the facts and punishing the perpetrators of crimes interrupt criminal activity, serve as a deterrent and address the hurt of the victims.

In too many countries, people know firsthand that without justice there is impunity which fuels cycles of frustration, revenge and endless violence. The experience with the ad hoc

tribunal for the former Yugoslavia has been instructive. After a difficult start, there is the beginning of accountability for the horrors suffered by the victims of ethnic cleansing and the death and rape camps in Bosnia.

There have been convictions and confessions. A number of indicted war criminals have given themselves up for trial, and in Bosnia the net is daily tightening around former Serbian leader Radovan Karadzic. The message of deterrence is becoming plain — you can run but you can't hide.

Closing the gap between rhetoric and action will also mean recognizing that an international criminal court is about something more important than protecting narrow definitions of national interest. Some are nervous about creating a mechanism that will investigate and indict even top leaders. Others worry that their soldiers on peacekeeping missions could be arrested for violations of international humanitarian law.

I believe that such concerns are misplaced. The proposed court should not supersede or trample the rights of member states to administer their own justice systems. National governments will retain their obligation to bring to justice violators of international humanitarian law. An international court should step in, however, when national authorities are unable or unwilling to act. Some fear that diplomatic compro-

mises in Rome will hamstring the new court, rendering it ineffective. Their cautionary note should be heeded, as there are core principles which, I believe, must be included in the statute establishing the international criminal court. Beyond that, I would look for a statute that allows for additional jur-

isdictions and roles to be developed in response to the court's own experiences and the changing world. The high standards of international criminal law and justice demand that the crimes to be included in the statute for a permanent court should be defined with clarity and precision for the sake of deterrence and the integrity

of this new process. The statute should recognize explicitly the appalling growth in genderrelated crimes against humanity. There is a crying need for justice and accountability for those responsible for policies of systematic rape, forced imBy Mary Robinson

pregnation, sexual slavery and other violations of the rights and dignity of women and girl children caught up in internal and international conflicts. For many, this is a key issue and a test of the court's credibility.

Many of the core principles are selfevident. This will be a court with global inrisdiction, and to ensure global acceptance it needs to be universal in every sense, to reflect various national

Inevitably, there will be attempts to compromise on core principles.

criminal law traditions and to draw on the best jurists from all regions to serve as judges and officers of the court. Its proceedings must conform to the

man rights law, with full protection for the rights of the accused and protection for sources and witnesses. The victims and their needs require special attention, and I will be supporting arguments that the statute should

highest standards of international hu-

include provisions for reparations, restitution and compensation of victims.

Another crucial issue is the "trigger mechanism" - deciding what cases the court will consider. Obviously the threshold for triggering a case should not be too low, for example, one based on complaints from individuals, as it could overwhelm the court and make it ineffective.

Equally disabling would be a triggering mechanism that is overly restrictive and dependent on the agreement of concerned states or the UN Security Council.

By establishing the ad hoc tribunals for the former Yugoslavia and Rwanda, the Security Council played a key role in highlighting the urgent need for a permanent international criminal court. However, too great a role for the Council could result in the new Court being seen as dominated by the major powers and thus lacking essential attributes of independence, universality and fairness.

For this reason, it is crucial that the Court's prosecutor be guaranteed independence from political interference and full authority to initiate prosecutions on the basis of information from reliable and credible sources. This is not a prescription for unbridled power, like prosecutors in national legal sys-

tems. This official's role should be subject to judicial oversight and review. Inevitably, there will be attempts to compromise on core principles for the sake of consensus, and the temptations to be satisfied with what is easily

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achieved rather than airning higher. Perhaps it is useful that this process reaches its climax in the 50th anniversary year of adoption of the Universal Declaration of Human Rights - a document which soars high above the usual standards of diplomatic agreement. It was the work of men and women from all over the world coming together in the shadow of the Holocaust and the atomic mushroom cloud to set out a new vision

for the rights of all people. The Rome gathering of plenipotentisries, supported by civil society organizations around the globe, will make its own piece of history, enhancing the structure of international institutions built up in the past 50 years. The issues are too important, too fundamental to the security and dignity of people in every region for the oppornunity to be diluted or lost.

The writer is United Nations high commissioner for human rights. She contributed this comment to the International Herald Tribune.

## The First Priority Should Be a Strong Court

THE HAGUE — There are high ex-pectations that the Rome conference will produce the first permanent international Criminal Court, empowered to prosecute and convict persons responsible for unspeakable crimes. This is such a noble ideal that no one dares oppose it, at least in principle.

This ideal embraces the notion that powerful leaders, who may be in a position to shelter themselves from their domestic criminal justice systems, should be answerable to the whole world when their crimes are an affront to humanity as a whole.

What sort of Court emerges from Rome remains to be seen. Ideally it should have two fundamental features. First, it should be universal, with the acceptance of, and jurisdiction over, as many states as possible. Second, it should be independent and strong.

Universal jurisdiction is important in principle because the crimes are being prosecuted on behalf of humanity as whole. In practice, universality is also critical because suspects, witnesses and other evidence are likely to be scattered all over the world.

The second of these features, independence and strength, goes to the Court's legitimacy. The prosecutor should have the power to initiate prosecutions, unhindered by political interference, and the Court should be able to issue binding orders and decisions, even to states. As in the case of any national criminal court, such powers are crucial to maintaining public confidence in the judicial process.

It is very unlikely that the Rome conference will produce a strong, independent Court with broad-base support. In fact, many would be happy with a result that has these two fundamental features applied in inverse proportion: They will support a strong Court if its reach is very limited (and not applicable to them), or they will support a Court with a broad application, includ-

ing to them, but very limited powers. Between these two models, unfortunately, there is real danger that the latter will prevail.

Universality cannot, of course, be

By Louise Arbour

imposed by treaty. In order for the ideal of universality, or close to it, to be achieved, the treaty must attract as many ratifications as possible. And the best way to attract the support of reluctant states is to reassure them that their exposure, under the treaty, will be minimum. That is to say, that they will never have to yield to the Court's jurisdiction. or be made to obey its orders, in any given situation, if they choose not to.

The reason this model is likely to be the most attractive is self-evident. Everyone is "safe," and it looks good because nearly everyone agrees. In this scenario, the Rome conference, which is supposed to produce a

A weak court will never succeed in building legitimacy.

great judicial institution representing triumph of the rule of law over the rule of force, will have simply revealed the true extent of the impunity of the powerful.

But this must not necessarily be so. Real progress can be made by recognizing that Rome will be only a step in a process, not the final goal, and by ensuring that the process keeps moving in the right direction.

The first step should be a strong Court. The final goal should be the universal acceptance of that Court.

This is so for two reasons. First and foremost, a weak Court will have no credibility. There will be great risks of an innocent being convicted through inevitable judicial error, of the guilty being acquitted through the Court's inability to secure evidence, and of trials being subject to political manipulation or the appearance thereof. A weak Court will never succeed in building the legitimacy without which no court can function.

if broadly accepted, Court would be the wrong choice for Rome relates to the Security Council. Referrals from the Security Council are likely to be important, if not actually the only source of work for the Court, for many years to come. It would be a major step backward if the Security Council were to refer cases similar to the ones that have arisen from the former Yugoslavia and Rwanda to an institution less well equipped than the two ad hoc tribunals.

And it would be wasteful, if nothing else, if the Security Council were to continue the practice of setting up ad hoc tribunals in parallel to a weak and impotent International Criminal Court.

This is the reality within which the Rome conference will be expected to produce a treaty for the effective prosecution of criminals who jeopardize the lives and security of entire populations. In light of that reality, the best pos-

sible outcome of the Rome conference would be the creation of a strong Court that will look and work like a criminal court, even if it attracts only the minimum of support necessary to put the institution in place. If much of its work is likely to come

from the Security Council, once the treaty is in force the number of ratifications will not matter, since all states will be bound by the Security Council's resolutions referring jurisdiction to it.

If, in doing its work, the Court succeeds in building its legitimacy, as I believe the two ad hoc tribunals have done, the treaty establishing the Court can be expected to attract more ratifications over time.

But if the outcome at Rome is wide base support for a weak Court, a Court from which states will be able to shelter the cases most deserving of international condemnation, it is difficult to imagine what corrective measure could be taken in the future to breathe life into a stillborn institution.

The writer is chief prosecutor at the International Criminal Tribunals for the former Yugoslavia and for Rwanda. She contributed this comment to the The second reason why a weak, even International Herald Tribune.

## Don't Expect Austria to Put Europe in the Phone Book

claimed independence, becom-

ing a formally neutral country

in the Cold War, but once again

Warsaw Pact's front line.

frontier country, on the

Now Austria is a member of

the European Union, although not of NATO. NATO's expan-

sion is a very controversial mat-

porated initially — Hungary,

the Czech Republic and Poland

- are Austria's neighbors, and

all were at one time or another

All of them are also candi-

dates to become members of the

European Union, and have be-

gun preliminary negotiations with Brussels. Where does that

might say — but uniquely placed to do what? Neutrality

no longer has any real meaning,

although some Austrians like to

think of themselves as an

Alpine state that should look

toward another neutral country,

Switzerland, which has made a

national career out of neutrality,

but in a geographical situation where it could afford to do so.

Austria is the crossroads of

Karl-Markus Gauss writes in

the Europäische Rundschau

that EU membership has en-

couraged Austrians to claim to

be "a normal country among all the other normal (that is, West

European) countries." He ob-

jects to this because it denies

Austria's special history and al-

Uniquely placed, as one

part of its empire.

leave Austria?

southern Europe.

VIENNA — Austria takes over the European Union's presidency in July, for the first time, which presents Austria in its turn, with the problem of providing Europe with a tele-phone number. Henry Kissinger once appositely remarked that he would believe in 'Europe' when someone gave him a phone number to call to

get in touch with it. This task is a particular problem for Austria, since it is a small country, a neutral, and is undergoing a self-examination concerning its own relationship with Europe.

Austria's anxieties are given exposure, sometimes brilliantly, in the latest issue of the noted Vienna quarterly Europäische Rundschau. As this is the journal's 25th anniversary issue, it is available in English and French as well as German (Ebendorfer-

strasse 6/4, A-1010 Vienna). To summarize (or abbreviate) Austria's self-examination. it asks where Austria today belongs between the west and east of Europe. This would seem very simple to answer, but history as well as current political feelings produce confusion and argument about the matter.

The Austrian emperors were once the sovereigns of the German Holy Roman Empire, which incorporated not only various principalities of German-speaking Europe but also, because of wars and dynastic marriages, came to unite them with Spain, a part of Italy, Burgundy, the low countries and eventually Poland, Bohemia, and Hungary in Central Europe.

Thanks to that, Austria made

itself the defender of Catholic

Europe's eastern frontier, con-

tronting the Muslim Ottoman

Empire, whose troops twice un-

successfully besieged Vienna.

By William Pfaff troops in 1955, Austria re-

By the late 18th century, however. Prussia was on its way to great power status, unifying the other German states at Austrian expense. Austria was left a dual mon-

archy, composed of Austria itself, the Kingdom of Hungary, Bosnia, Croatia, the Czech lands and Galicia (which included parts of modern-day Poland and Ukraine). In 1910 the population was 50 million people. (Britain at the time had 45 million inhabitants, and Germany 65 million.)

Vienna was the cultural and educational as well as the political and economic center of this multilingual empire — a westemizing influence on the rest, but at the same time one whose domination provoked nationalist reactions.

The world war destroyed the system -- that and Woodrow Vilson's crusade during the Versailles treaty negotiations to give national self-determination to all the Hapsburg peoples.

From being a great multinational empire and Western Europe's bridge to the east, Austria was turned into a small German-speaking state of 6.5 million people with no apparent reason for independent exist-ence. Thus Hitler could and did take it over.

After World War II, when the Soviet Union withdrew its

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should he brief and are subject to editing. We cannot be responsible for the return of un-solicited numus ripts.

His argument is that Austria should not, but also cannot, dissociate itself from all of its old and complicated relations with Central Europe and the Bal-kans. These actually provide an opportunity of great value to the European Union, as it opens itself to the ex-Communist and ex-Austro-Hungarian ter in Austria, since all three states of Central Europe. Howcountries expected to be incorever, this is a controversial ar-

gument in Austria. With its own role under debate and unresolved, the Austrian government approaches its EU presidency with a conventionally platitudinous view of

Central European countries for many centuries." foreign policy for the European

Union as a whole. The foreign minister. Wolfang Schüssel, writes of the European Union helping to keep the Dayton accords functioning, trying to do something, about Cyprus, and encouraging Middle Eastern peace — all things which the United States. has in hand, or thinks it has in hand, and on which it prefers no advice from Europe.

With that as Europe's aspirant common foreign and security policy, it really doesn't matter that Europe doesn't have a phone number.

International Herald Tribune. Los Angeles Times Syndicate.

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Publishing Loss NEW YORK - The war is

making hard times for everybody connected with Newspa-per Row. It might be expected that the frequent issue of extras would increase the publishers' profits, but they do not. Though it costs but little to get out each new edition, the sales seldom reach one hundred dollars, and there is no profit in one-cent papers at that rate. The adver-tising, to which the publisher looks for his real profit, has fallen off. The only newspaper men who are not cramped are those who have been sent to the front as war correspondents.

### 1923: Federal Powers

PARIS - [The Herald says in lows it to reject any attempt "to make something meaningful out of the contradictory heritage an Editorial:] The question of the boundary between State and Federal powers in the United of its history, out of the often painful experience of being his-States must have sooner or later torically caught up with the a new and definite solution. En-

croachments of Congress and the Executive upon the un-delegated powers of the States have grown so numerous as to dull popular perception of them. History has shown again and again that the more the govemment is centralised the great-, er its tendency to breed oppression and to dwarf the exercise of individual right.

### 1948: No African Army: PRETORIA - The South Af-

rican government will use its. "friendly influence" to counter-; act any British policy tending toward the military training and arming of Africans, F.C. Erasmus, the Nationalist Minister of Defense, declared today [June; 14]. He said that Britain, having lost the Indian Army, might now be inclined to build up an African Army. Mr. Erasmus said that most people in South Africa were opposed to the use of non-Europeans in the armed forces.

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to a particular male's MHC perceive his odor as more pleasant than women whose MHC is more similar to that of the test man," Dr. Wedekind and his colleagues wrote in the Proceedings of the Royal Society of London, where the results were published in 1995. Odors of men with dissimilar MHC reminded the women of their own mates or former mates twice as often as did the odors of men with similar MHC.

In a follow-up study, Dr. Wedekind

## HEALTH/SCIENCE

## More Loose Ends in the 'Slow Drama' of the Neutrino'

By George Johnson
New York Times Service

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Strong Count

EW YORK - One of the biggest embarrassments of 20th-century science — the sun's refusal to emit nearly as many neutrinos as physicists say it should — inched closer to a possible solution last week when experimenters reported strong new evidence that these weird elementary particles, long thought to be perfectly massless, may have a small amount of heft after all If neutrinos indeed have mass, the

story goes, they can change "flavor" on their flight from the center of the sun. eluding the electronic snares earthlings have been setting. The neutrinos wouldn't be missing, but traveling in

But the "solar neutrino deficit," as it is politely called, still isn't ready to give up its secrets. Just as the news, reported at the Neutrino '98 conference in

Takayama, Japan, seemed to clear up one mystery, it raised another. The same team claiming the existence of neutrino mass may have also cast doubt on the most elegant version of the changing-flavor hypothesis, in favor of an alternative that many theorists find ugly and contrived.

The dispute is far from resolved. Gathering and interpreting data about these rarefied particles — inevitably described as "ghostly" and "clusive" — is among the most delicate and frustrating challenges of physics. For all the excitement over last week's breakthrough, it may still be years before anyone knows what's going on with the sun. "The solar neutrino issue is far from settled," said Dr. John Learned of the University of Hawaii, a member of the international team whose experiments at the Super-Kamiokande neutrino observatory in Japan found the evidence of neutrino mass. "It drives you nuts because this is such a slow drama."

Adding another twist to the seemingly endless saga, results from Super-Kamiokande and other recent experiments suggest the jarring possibility that the three kinds of neutrinos now believed to exist might have to be joined by a fourth, and even a fifth and sixth. Even stranger than their more familiar cousins, which barely interact with other marter, these exotic new "sterile" neutrinos would be even more reclusive: sealed off in their own phantom zone, apparent only by

their gravitational pull.

"I think sterile neutrinos are a very ugly concept," lamented Dr. John Bahcall, a theorist at the Institute for Advanced Study in Princeton, New Jersey, who has spent most of his career trying to solve the solar neutrino mess. "I hope that they will not be needed when all of the experiments now going on are complete. If they are present, they will greatly complicate the efforts to get a unique solution."

While he and other theorists long for

a mathematically elegant explanation of the sun's obstinacy, the experimenters almost seem to delight in finding more loose ends to be tied together. This kind of rivalry is the driving force behind physics. Without a theoretical framework in which they can be arranged, the data are meaningless. And without the data, the theories are just mathematical bric-a-brac.

How much neater physics seemed in the early 1930s, when there were just neutrons, protons and electrons to worry about. Then physicists found that a pro-cess called beta decay, in which a neutron, which is unstable outside an atomic nucleus, turns into a proton, spitting out an electron, defied the law of conservation of energy. The amount of energy coming out of the reaction was less than the amount going in. The solution; to invent an invisible particle called the neutrino, tailored to carry away just the

right amount of missing energy.

Chargeless and thought to be mass-

less, neutrinos were dismissed for decades as mathematical figments, something to make the equations balance, until they were detected in 1956 coming out of a nuclear reactor. In the meantime, scientists realized that if stars are powered by nuclear fusion (and it is hard to see how else they could be), neutrinos must be constantly streaming from the sun. By their very nature, they would speed through the Earth almost entirely unimpeded

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HE only way to detect neutrinos is through their exceedingly rare collisions with ordinary matter. Hoping to snag just a few of the particles, experi-menters have placed swimming-pool sized vats of various substances deep inside mines all over the world, where they are shielded from just about everything but the penetrating neutrinos. But after 30 years of measurements, the sun has been found to be emitting only a third to a half of the neutrinos th theorists predicted.

As the detectors have become more refined, and the results harder to dismiss, physicists have been forced to conclude that something is seriously wrong - with either their understanding of neutrinos or their understanding of how the sun shines. Many physicists believe they have pretty much ruled out the possibility that their model of the sun is seriously askew. No reasonable amount of tweaking seems able to get the model to allow for such a feeble

breeze of solar neutrinos.

Barring some stupendous discovery - that the sun is powered not by nuclear fusion but some unimaginable new phenomenon — most physicists wager that the fault lies instead with the reigning theory of particles - called simply the Standard Model. According to this cornerstone of physics, neutrinos, along with electrons and quarks, are the fundamental constituents of all matter.

## False Hopes Can Add to Pain

## For Terminal Patients, the Truth About Diagnosis

By Susan Gilbert New York Times Service

EW YORK — When William Roy Bond learned last year that he had cancer, his doctor was honest about the grim diagnosis: end-stage lung cancer that had spread to the liver, stomach and pancreas. The doctor assumed that the diagnosis spoke for itself, that Mr. Bond would understand that treatment was futile, recalled his wife, Helen. "But he didn't hear it," she said. "My husband said he wanted chemotherapy."

It was not until three weeks later, when a second doctor told Mr. Bond directly that chemotherapy would do more harm than good, that he opted for comfort care instead. "He died at home, as he wanted," said Mrs. Bond, who ives in Chester, Virginia.

Like Mr. Bond, most terminally ill patients appear to believe that their odds for survival are far greater than they really are, research shows. But unlike Mr. Bond's second doctor, physicians say that they have trouble setting their patients straight for fear that they will lose hope and, with it, the slim chance of

beating the odds. Now a study of terminally ill cancer patients reveals that false hope has its own hazards, leading patients to choose aggressive therapies that are useless and increase suffering.

"I think there's a widespread belief among oncologists that hope is the most mportant thing and that there's no real cost to allowing patients to have some what unrealistic expectations about their prognosis," said Dr. Jane Weeks, director of the center for outcomes policy research at the Dana-Farber Cancer Institute in Boston and lead author of the study, whose findings were reported in the current issue of the Journal of the American Medical Association.

"Patients didn't have a good under-standing of their prognosis," Dr. Weeks which is information that they needed to make choices that were right

for them.' The research by Dr. Weeks and her colleagues involved 917 adults hospitalized with advanced lung or colon cancer that had spread to the liver. At that stage, cancer is generally considered incurable and associated with a

short life expectancy.
In the study, which was part of a larger, continuing study of terminally ill patients nationwide, each patient and

physician rated the patient's chance of surviving at least six months. Their choices were 90 percent or more; 75 percent; 50 percent; 25 percent, or 1 percent or less. Patients were then asked to state their preference for either lifeextending cancer therapy or therapy directed strictly at controlling pain, such

as hospice care. The majority of patients said they thought that they had a 90 percent chance or better of living another six months, Dr. Weeks said, though only 45 percent actually lived that long. The study also found that patients were far more optimistic than their doctors and that their

optimism was often misplaced. For example, among doctors and patients who estimated at least a 90 percent chance of six-month survival, doctors were correct 71 percent of the time and patients 57 percent of the time. The most optimistic patients were also the most inclined to want aggressive anticancer treatment. And yet those who got it did not live longer, the study found, after controlling for factors that influence longevity, like age, education and income. Instead, they were more likely to experience gracing treatments and resuscitation or to die while attached to ventilator.

Although the study did not try to assess patients' reasons for their op-timism, the researchers said that a likely one was that doctors did not give patients enough information about their conditions. Dr. Weeks and other doctors

agreed that they often have trouble telling terminally ill patients the truth. "I can tell you from personal experience that it's extraordinarily painful to give bad news," Dr. Weeks said.
"You feel for the patient. I would guess that one out that some physicians take is to tell patients, but to tell them in terms that they don't understand. We'll talk about the chance of response to a therapy and patients don't understand that s not a cure, but rather something that adds at most a few months to life."

Some doctors justify withholding information from patients because the patients do not ask, said Dr. Thomas Smith, a hematologist and oncologist at the Massey Cancer Center at Virginia Commonwealth University in Richmond. Dr. Smith has spoken with many doctors on the subject as a faculty scholar with Project on Death in America, an organization started in 1994 to pay for efforts at major institutions to improve

communication between doctors and

dying patients. The businessman George Soros financed the organization.

Dr. Smith, co-author of an editorial that accompanied the study in the Journal of the American Medical Association, said that even if patients and their families did not ask questions, doctors were obliged to tell them the truth.

'That's not to say that we should bludgeon the patient," he said. He often begins by asking patients how much they want to know and then taking the conversation from there. "Ninety-nine percent of patients will say, 'Tell me everything,' "he said.

Nena Radtke of Wellesley, Mas-

sachusetts, said that she and her family were denied that hope because doctors were not honest about ber husband's prognosis. Four years ago her husband, Mark, learned that he had intravascular lymphoma, a rare cancer that attacks the nervous system. He was 43, and the couple had children ages 6 and 9.

Even though this form of cancer was considered incurable, Ms. Radtke said that the doctors at Massachusetts General Hospital in Boston had hoped for a cure and recommended aggressive chemotherapy and radiation. The treatment was given in the intensive care unit, which meant that Ms. Radtke could not see her husband most of the time, and their thildren could not see him at all.

'I was with him at the time of his death, but the room was filled with eight other people hanging bags of blood and monitoring vital signs," she said. "It was about as horrifying as anything that could have happened.

FTERWARD, from conversations with her husband's doctors, Ms. Radtke realized that they had known how slim his chances were but found it impossible to give up hope because he was a young man with a family. One doctor even said that it was especially hard for him be-cause he had children the same ages as the Radtke children.

"I don't think they were trying to mislead us," she said. "They thought he might be the one case that would have

a positive outcome. But hard as it would have been to hear that her husband had only a few months to live, Ms. Radtke said that she wished she had known the truth so that they could have made more of the time left. "We could have spent days with the children, together," she said, "not filled with painful regimens in the hospital."



Dr. Thomas Smith, a hematologist and oncologist at Massey Cancer Center. Virginia Commonwealth University.

## Is Attraction All in the Nose?

By David Berreby

EW YORK - When it comes to love, sex and friendship, do birds of a feather flock together, or do opposites attract? The argument is so old that even Aristotle mentioned evidence for both sides.

Now a new chapter has been opened by researchers who say people find that difference, at least in one type of gene, is sexy, that sameness is boring—and that they use their noses to tell which is which.

Among the recent studies are those of a Swiss group that used sweaty T-shirts to establish that people can sniff out genetic difference; a Chicago team that concluded from its study of a religious community that genetically similar people tend to avoid marrying one another, and a New Mexico study, again using T-shirts, that claims women at their most fertile time of month will prefer the odor of the fittest-looking men.

Some other scientists regard these claims as spurious, but more research in this vein is in the works, the believers say.

The genes in question instruct cells to make the proteins of the Major His-tocompatability Complex, one of the immune system's key markers of identity. MHC proteins attach to foreign bodies and present them to the immune system for a verdict of self or not self. The system attacks anything that does not pass the test. That includes foreign MHC proteins, which is why skin grafts and transplanted organs are rejected unless the donor's MHC is very

similar to the recipient's. There are more than 100 MHC genes on human Chromosome Six and

so many versions of each gene, that in a typical population of 100,000 samples from 49 female students from people, only two or three people are the university, mostly in biology and likely to match very closely.

"If you think about how hard it is to find organ donors, that's what we're talking about," said Carole Ober of the University of Chicago's Depart-ment of Human Genetics, who is running the Chicago studies. "It's virtually impossible to find a match if you go outside your own family."

That musual variety makes the MHC genes useful to population geneticists, who track ancestries by tracing par-ticular combinations of versions of genes, which are passed from parents to offspring in sets called haplotypes. In 1974 Lewis Thomas, a writer and

medical researcher, suggested that different MHC genes might be linked to different odors. He was considering training dogs to sniff out compatible people for skin grafts and organ donations. That led to work on laboratory mice and rats that established that the animals preferred mates that were different in their MHC genes. Scientists speculated that this was either a mechanism to prevent inbreeding or an efficient way for animals to ensure that their offspring would have immune systems diverse enough to fight as

many diseases as possible. In the last few years, several re-searchers, each on a distinct path, began to wonder whether the MHC effect in

rodents might be found in people. Claus Wedekind, of the Zoological Institute at Bern University in Switzerland, believed that body odor might signal that its owner had desirable immune genes that would help offspring fight off diseases. He devised an experiment to see if human body odor correlated with MHC genes and if people could tell.

psychology, and 44 male students, mostly from chemistry, physics and geography. He asked the men to wear cotton T-shirts on a Sunday and a Monday night, to keep the shirt in an open plastic bag in between, to use perfumefree detergents and soaps, and to avoid smelly rooms, smell-producing foods and activities, like smoking and sex, that create odors. Meanwhile, the women were given a nasal spray to use for two weeks before the test to protect their nasal membranes from infection. After the T-shirts were collected,

He and his team collected DNA

each woman was asked to give ratings, for intensity, pleasantness and sexiness, to three T-shirts from men with similar MHC genes and three from men whose MHC genes were less similar. They did not know which shirts were which.

"Women who are not taking oral contraceptives and who are dissimilar

was surprised to find that no particular combination of MHC genes seemed more desirable than any other. Rather than being impelled to seek "good" combinations of MHC genes that were unusually resistant to disease strains, as he had expected, he found that his subjects seemed simply to find difference appealing.

## LANGUAGE

## Oh, for the Radio and a Flash of Wit

By William Safire

ASHINGTON — Listen to the opening line of the NBC science-fiction story "Knock" on the 1950 series "Dimension X": "The last man on Earth sat alone in a room. There was a knock on the door."

A modern editor would have to make changes in all those lines. By "the last man on Earth," the writer meant "the last person"; now, because the male no longer embraces the female, he would have to write "the last person on Earth" because the listener would immediately assume that the source of the knocking was a woman, and not some subhuman or superhuman species.

Malapropisms, however, need no updating. 'I don't object to President sharper than a thankless tooth it is to Roosevelt using the radio to inform the country on the state of the nation," said a man in the audience on the Blue Network's "Town Meeting of the Air," "but I do object to his using it to propagate." And a character eagerly awaiting the arrival of the Lone Ranger shours,

'I hear a white horse on the way!' These and other great moments in the broadcast word are taken from John Dunning's "On the Air: The Encyclopedia of Old-Time Radio" (Oxford

University Press). Comedy was based on carefully established character traits, a technique that carried over into television. Jack Benny was the tightwad who, when held up by a thief demanding "Your held up by a thief demanding 10th B... can be decided before C... then money or your life!" answered with a money or your life!" answered with a looic dictates that A... can be decided shall not record to the last, and long silence, interrupting the laughter

only with "I'm thinking. The classic word-picture was Fred

grows on a desk that's been exposed to plete with extensive case discussions. conference." Groucho Marx's standard question for politicians who ap- logoids." indicted?" - would not be so furmy today, but his regular query to baseball umpires — "Do you have any little thieves at home?" — is still apt.

But the humor most missed today is

the flash of wit. When a young woman told Groucho, "I go to a college for girls," he riposted, "That's the reason i'd want to go, too." And when the Shakespearean expert and sportswriter space of the space of the same of the same; the same of the same of the same; the same of the same of the same; the same of the same of the same of the same; the same of the same of the same of the same; the same of the same of the same of the same; the same of the same; the same of the same of the same of the same; the same of the same of the same; the same; the same of the same; the same of the same; the same of the same; the same of the same; the same of the same; the same of the same of the same; the same of the John Kieran was stumped on "Information, Please" by a question that was sent in by his son, he said, "How have a serpent child."

A syllogism, from the Greek for use is recorded in all literature. (Hap"summing up," means "the drawing of a logical conclusion two of a logical conclusion that do not be supposed to the summary that the summary is a street of the summ premises." In current use, the deduction may be deceptive: "All politicians word didn't exist; (B, minor premise) and pundits are venal; Safire is a political pundit; therefore, Safire is doubly venal." The reasoning is seemingly

logical but may be false. Steel & Pickling Co. v. Citizens for a acy ("You mean syllogoid is not a Better Environment, Justice John Paul word?"), the second confesses incom-Sevens used a syllogistic construction: petence (since a coinage that has to be "If A... can be decided before B, and if explained is a failure) and the third

before C. " Justice Antonin Scalia, pickling

Allen's trope about NBC censors: Stevens for the majority, observed that "They are a bit of executive fungus that his brother justice's argument was "recase citations, rationalizations and syl-

> 'I've heard of factoid," writes Stephen Wasby, professor of political science at the State University of New York at Albany, "but where did syllogoid come from?"

> The -oid suffix, rooted in the Greek for "shape," creates a noun or adjective meaning "similar but not the same; argument having the form but not the logical force of a syllogism." To Wasby's point: Whence syllogoid?

An exhaustive search of data bases and legal tomes reveals that we have here what the Greeks called a hapax legomenon -- a word of which only one word didn't exist; (B, minor premise) Scalia used it; (C, logical conclusion)

Scalia must have coined it. "There are only three possible re-sponses to your note," Scalia responds in a footnote to his recent dissent to my written query, "none of which is from the Supreme Court decision on

New York Times Service

### in Brief

**Infants' Heartbeats** 

BOSTON (Reuters) - An abnormal heartbeat in a baby may be an omen of sudden infant death syndrome, researchers reported in the New England Journal of Medicine.

The leading cause of death among apparently healthy infants in the first year of life, SIDS has been difficult to study because it is so rare, killing 0.05 to 0.2 percent of newborns a year.

A research team lead by Dr. Peter John Schwartz of the University of Pavia in Italy tested more than 34,000 newborns over a 19-year period to seek pattern. They found that of the 24 babies who died from SIDS, half tended to have a longer interval between two key electrical events in the heart. Known at the QT wave, it appears as a prominent blip in an electrocardiogram.

The results suggested that something was wrong in the development of the heart "in a substantial proportion of cases of SIDS," the researchers reported. The abnormality is found in the

portion of the heartbeat that begins when a large electrical pulse signals the lower chambers of the heart to contract. If something is wrong with the pulse, it can spark a fatal rhythm problem, and the risk of SIDS increases 41-fold.

**New Assault on Oil Spills** 

NEW YORK (NYT) - Cleaning up oil spills could turn out to be a bit easier. In 1989, Phillip McCrory, an Alabama hairdresser, saw television footage of an otter soaked in oil from the Exxon Valdez spill. "That's when the light went off," he said. If the otter's fur soaked up

oil, would human hair do the same? Mr. McCrory went straight to the experimental stage. He built a test otter by stuffing four pounds of human hair into a pair of tights, filled his son's wading pool with water, dumped a gallon of used motor oil on top and heaved in the hair. "In two minutes the water

was crystal clear," he said. Then, some of Mr. McCrory's cus-

tomers from NASA's Marshall Space Flight Center in Huntsville put him in touch with Maurice Hale, a technology transfer expert. When some diesel oil spilled in a ditch at the center, Mr. Mc-Crory made a rough filter — 16 pounds of hair in a barrel. When the tainted water was pumped through, it came out containing 17 parts per million of oil clean enough to dump in a sewer.

### Ring Around a Galaxy

WASHINGTON (Reuters) - The Hubble Space Telescope has snapped an image of a ring of baby stars circling the heart of a nearby galaxy, astronomers

have reported. The new stars, stellar infants less than 5 million years old, are in clusters around the center of galaxy NGC 4314, about 40 million light-years from Earth, quite close in cosmic terms and therefore is a great laboratory for studying star formation, scientists at the Space Telescope Science Institute said in a statement.

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## In U.S., Benefits for the Unskilled Shrink Along With Wages

By Peter Passell

NEW YORK - Since the 1970s, the gap in wages between skilled and un-skilled workers in the United States has widened sharply. But new research shows the inequality does not stop

Discrepancies in job benefits and the quality of work life have also grown, pointing to a bigger chasm than pre-

viously recognized.
"Unskilled workers get the short end of the stick - and it's getting shorter," said James Heckman, an economist at the University of Chicago.
Study after study has shown that the

gains from post-1970s economic growth have eluded unskilled workers. The median wage of those with only a high school diploma fell by 6 percent, adjusted for inflation, from 1980 to 1996, while the earnings of college graduates rose by 12 percent.
Though there have been indications in

recent months that a scarcity of workers in the surging U.S. economy has begun raising wages for those on the low end, the gain has been modest and not enough to counter the decades-long trend.

Besides, wages alone provide an incomplete picture of a worker's standing. Though economists have long recognized the need to incorporate working conditions and fringe benefits in any comprehensive analysis, they have been stymied by a lack of detailed data.

Until now. Brooks Pierce, an econ-

**Dwindling Coverage** Percentage of employees with health insurance provided by their companies. LOW-WAGE EMPLOYEES (Bottom

10 percent) 1996 IN THE MIDDLE

HIGH-WAGE (Top 10 percent) Source: Brooks Pierce, Bureau of Labor Statistics NYT 1982 omist at the U.S. Department of Labor,

used confidential data regularly collected by the Bureau of Labor Statistics from businesses to measure trends in total compensation. The results are striking. While spe-

cialists had long assumed that benefits acted as a leveling influence, particularly because of government-required benefits like Social Security and unemployment insurance, the opposite is true.

By Mr. Pierce's calculation, the total compensation in 1982 of workers in the top 10 percent --- \$35.16 a hour --- was 4.56 times that of workers in the bottom 10 percent — \$7.72 an hour. Fourteen

Henry Farber, an economist at

years later, the ratio had increased to 5.56 to 1, with highly paid workers having gained \$1.73 an hour and low-end workers having lost 93 cents an hour.

Benefits led to a greater discrepancy in earnings between high-wage and low-wage workers in both 1982 and 1996. Moreover, they were responsible for one-tenth of the increasing disparity between the working elite and the working poor over the 14 years.

Benefits have long been perceived as a great equalizer. In percentage terms, a bare-bones \$3,000 medical insurance package adds more to the compensation of a worker making \$20,000 than a full-frills \$10,000 package for an executive earning \$200,000.

The catch, according to Mr. Pierce, is that a growing number of workers at the bottom of the pay scale have lost access to key employer-provided benefits.

More than 80 percent of workers re-

ceived paid holidays and vacations in 1996, but fewer than 10 percent of those in the bottom tenth received paid leave of any kind. Similarly, about 70 percent of workers have pension plans, while less than 10 percent of those in the bottom can count on any employer-financed retirement benefits. Access to health insurance follows a similar pattern.

Employers generally cannot deny benefits to lower-wage workers without putting the tax-exempt status of those benefits at risk. So how is this disparity in benefits possible?

Princeton University whose own re-

Safer at the Top Days of work missed because of onthe-job injuries for every 100 full-time



search on medical benefits confirms Mr. Pierce's findings, points to loopholes that allow companies to deny benefits to workers just starting out and to workers not classified as full time.

'Employers are figuring out all sort of ways to discriminate between employees they wish to keep and those who come and go," he said.

In some cases, employers have turned to temporary and contract workers, whose pay packages do not include time off and other benefits. United Parcel Service even endured a strike in which a big issue was the company's desire to use more part-time workers to hold

million marks (\$388 million or \$500

strengthen Vox's programming.
"He feels he has us locked out of

harm's way." Mr. Murdoch said.
"We'll have to do something for him

Bertelsmann would eventually give in.

Perhaps an even bigger surprise than the lack of benefits is how little people with especially demanding or unpleasant jobs are compensated for difficult working conditions.

Job hazards, everything from working in extreme temperatures to working a dangerous, lonely night shift at a high-way convenience store, would seem to command higher wages than similar work under less taxing circumstances.

By looking at arguably the best mea-

sure of job conditions, the risk of injury, a new study by Daniel Hamermesh, an economist at the University of Texas, found that workers on the low end of the wage scale were falling ever further behind.

In 1979, workers in the top quarter of wage earners lost 38 percent more days to on-the-job injuries than workers in the bottom quarter, Mr. Hamermesh found. By 1995, the pattern had reversed. High-wage earners lost 32 percent fewer days than low-wage

One possible explanation for the failure to reduce injuries among low earners, suggests Alan Krueger, an economist at Princeton University, is the declining power of labor unions. While employers may know how dangerous a job is and how much it would cost to make it safer, individual workers rarely do. A union may be able to even the playing field by tracking health and safety issues and negotiating improve-

## Kia to Shut **Factories** For 10 Days

South Korean Carmaker Seeks to Counter Strikers

SEOUL - Kia Motors Corp. said

Sunday it would shut factories for 10 days to counter union strikes that have been dragging on since the end of May. The company said all factories would be closed from Monday until June 25.

'The illegal strikes have caused serious losses to the company and threaten the existence of subcontracting companies," Kia said in a statement, "and the decision to halt operations is to minimize the damage.

But the shutdown could lead to a final showdown between militant union leaders and management.

'We see the shutdown as the first step toward layoffs," said a senior union official.

"Our strikes will go on," he added. Kia workers walked out May 29 to demand compensation for salary cuts. Kia cut workers' salaries by 50 percent in 1997 because of financial difficulties.

A company spokesman said the workers would be breaking the law if they took over the factories during the closure. He added that he expected only the union leaders to show up.

About 13,000 to 14,000 workers would be affected by the temporary halt in operations, the Kia spokesman said.

"This is our way to counter the strikes and prevent other workers from any harm," he said. "But we will continne to convince the union to end strikes, and so far there are no plans to force them out of the factories.

Kia said 140 billion won (\$101 million) in sales had been lost since the strikes began. Until then, Kia had been producing about 1,800 cars a day, the spokesman said.

Labor and management relations have become increasingly fragile in South Korea as the country revamps its ailing economy, a mandate for a \$58 billion bailout package arranged by the International Monetary Fund.

Corporate restructuring in South Korea is expected to bring huge layoffs and Hyundai Motor Co. has already announced plans to cut more than 8,000 (Reuters, AFP)



Mr. Murdoch said 'no' to Kirch.

## Murdoch Says Bertelsmann Blocks Investment in Vox

BERGISCH GLADBACH, Germany — The media magnate Rupert Murdoch wants to invest heavily in Vox to move the station into the big leagues of German television, but he says he is facing stiff opposition from another Vox shareholder, the media giant Bertelsmann AG.

Mr. Murdoch also said he was still interested in digital television in Germany, but he denied speculation that his News Corp. would form an alliance with Kirch Group, the digital-TV leader. 'We are very keen to extend our

business in Germany," Mr. Murdoch said Saturday. "We want to make Vox an active force here," said Mr. Murdoch, who

was in Germany for a media conference in Cologne. "We need the support of the other shareholders, but we're working

News Corp. holds 49.9 percent of Vox. Bertelsmann and Canal Plus SA of France each have 24.9 percent. Mr. Murdoch said he wanted to broad-

cast first-run feature films, sports and quality news on Vox but was being blocked by Bertelsmann, which he said was seeking to keep the Cologne-based station as an outlet for second-run movies that would not

challenge its prime channel, RTL.

Mr. Murdoch said his goal was for
Vox to have 10 percent of the German market, up from about 3 percent now. "If we had unfettered control of Vox. then yes - whether it takes 700 or 900

He said he was still considering wheth-

Kirch, the Bavarian media mogul. Mr. Kirch has said he may shut down

somewhere else

er to get involved in digital-pay TV in Germany but was not talking with Leo

million), we are willing to do whatever is necessary to make Vox a major mission blocked a merger between DF1 and the Premiere pay TV channel.

Mr. Murdoch considered taking a He said the Bertelsmann board memstake in DFI but decided against it last ber in charge of television, Michael Domemann, had blocked every effort to

his DF1 station after the European Com-

year.Mr. Kirch's DF1 has managed just 120.000 subscribers in nearly a year of operation, largely because of the high price of the digital decoder, which sells for about 1,000 DM. Mr. Murdoch said he had no interest

in investing in any part of the Kirch

Mr. Murdoch said he was confident We wouldn't really be interested unless we could have control of something." he said. "We have to see what happens to DFI - if he closes DF1. There may even be room for two platforms. We wouldn't rule that out."

### **CYBERSCAPE**

## Web Sites Find a Local Presence Helps

By Bruno Giussa New York Times Service

ENEVA --- How many people can name a few truly global Web-based companies, with operations in several countries and brands that sound familiar to Europeans as well as Americans? Although the Web is by nature global

— and, theoretically, an Internet business can be run out of any location and seamlessly reach millions of potential customers around the world - many companies are finding that they need a local presence to establish a successful business abroad. Having experienced a slowdown in

growth in the United States - where the Internet field is getting considerably crowded - many on-line companies are jumping into Europe to find new cusiomers to sustain their double-digit growth rates and spectacular market

capitalization.

"There is a huge growth potential here." said Evan Rudowski, the new director of European operations for Excite, a search and directory company.

Yet the reason behind most of these moves is that, against all conventional thinking, the Internet and the Web have not turned out to be global entities.

"There may be global on-line brands," said Mark Lorimer, the president of Auto-By-Tel, "but the market

is definitely local, culture-specific, and subject to very different regulations." You need local parmers to shepherd you through the terrain," he said.

Consider the following examples:
• In May, the Seattle-based on-line book retailer Amazon.com acquired two local competitors, Bookpages of Britain

and Telebuch of Germany, which also controls two affiliated Web operations in Spain and South Africa. • The on-line vehicle broker Auto-By-Tel of Irvine, California, announced

in February the formation of Auto-By-Tel UK through an alliance with the car distributor Incheape Motors. The company is now wrapping up a deal with Bilia to create Auto-By-Tel Nordic, covering Sweden, Norway, Denmark and Finland

The New York Internet research company Jupiter Communications opened a new European practice in London in April.

 Walt Disney Co. teamed up with Telecom Italia Net SpA to launch its first subscription-based Web sites in Europe last month, dubbed Topolino and Disney Blast, and is having discussions to close similar deals in other countries.

• The New York Web design group Razorfish acquired CHBI, a large British new media company. Meanwhile, New York-based Agency.com took over Online Magic, one of the biggest interactive agencies in Britain.

The first companies to think global and act local have been the major American search and directory players such as Yahoo Inc., Excite Inc. and Lycos Inc. They have all been in Europe for some time now and have been very prudent in the way they approached the national

sites in each territory, in local lan-

guages, with local sales and support.

"They have done a good job, and their reward is that they are vacuuming up the andiences in Europe in a spec-tacular way," said Phil Dwyer, man-aging director of the London practice of Jupiter Communications.

Mr. Dwyer thinks that U.S.-based

electronic commerce players will have a more difficult task, mainly because European retailers have observed how their American counterparts let early actors like Amazon.com or CDnow Inc. quickly and cheaply establish their brands in the absence of any on-line activity from "traditional" vendors.

It may sound paradoxical, but precisely because Europe is running 18 to 24 months behind the United States in Internet usage — with expensive local phone calls acting as a check on on-line consumption — American e-commerce ventures may find it more difficult to gain a foothold on the Continent.

European booksellers such as Waterstones and Blackwells in Britain have learned the lesson and spotted the danger in time," Mr. Dwyer said.

Mr. Dwyer's advice to Internet companies looking at Europe is: "Don't look for pan-European solutions. They sound easier to manage and run, but they are next to impossible to do."

 Recent technology articles: www.iht.com/IHT/TECH/ Internet address: CyberScape@iht.com

## Paris EUROPLACE **International Financial Forum**

Thursday 2 — Friday 3 July, 1998

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### Program Highlights

Keynote Luncheon Speaker:

Plenary Sessions:

The Euro as a Booster for French Financial Markets

Euro: Creation of the Second Largest Asset Management Market in the World

The International Strategy of French Companies

Dominique Strauss-Kahn - Minister of Economy, Finance and Industry

Parallel Sessions (Thursday p.m.): Equities and Insurance

Presentation of Businesses: Biotechnology, Agri-Food Distribution, Information

Globalization and Consolidation in the Insurance Business: a High-Stakes Game

Parallel Sessions (Friday): Equities, Debt Instruments and Others

 Presentation of Businesses: Automobile Manufacturing, Automobile Equipment Manufacturing

New Markets, New Products in Euro-Denominated Bonds and Derivatives

Strategy of French Issuers in View of the Euro

Non traditional Asset Securitization in France

 Direct Investment in France The Impact of Changes in European Monetary Policy on Corporate Cash Management

> For further information, please contact: Valérie Blanchin, Director of Communications

Simultaneous translation is provided in French and in English during the entire forum.

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## **CURRENCY RATES**

| Patter | 12 | D.M. | F.F. | Lim | D.F. | B.F. | S.F. | Yes | C.S. | Peerin | 12 | 1205 | 1315 | 11272 | 1315 | 1316 | --- | 544.6" | 1339 | 1412 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 | 1326 |

| Per | Currency | Per | Per | Currency | Per | Pe **Sther Dollar Values** 

| March Clienting 20 | Aud | 2016 | 24/27 490 | Aud | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016

Sources: ING Bank (Amsterdare); Cera

vestment Bank (Brussels): Banca Commerciale Hallana (Milan); Banque de France Infish Bank of Tokyo-Milaubishi (Tokyo); Royal Bank of Canada (Torosto); IMF (SDR). Ther date from the Associated Press, Bloomberg and Reuters.

## Goldman Sachs Is Set To Reveal Vote on IPO

NEW YORK - Goldman Sachs Group LP will announce Monday whether an executive committee of six of Goldman's 190 partners had voted to sell shares to the public, a spokesman for the investment bank said Sunday.

The meeting of the committee follows a secret ballot of partners Saturday in which they were surveyed about whether they wanted to sell shares in the 129-year-old firm.

A British newspaper, The Sunday Telegraph, without citing sources, said partners voted for a share sale. A Goldman spokesman called the story "speculative" and said a decision would not be made until late Sunday and partners and staff would be told Monday.

Goldman, the biggest investment banking partnership,

could be valued at as much as \$35 billion once it goes public.

An initial public offering would give the company stock to pay for acquisitions, and individual partners could be worth an average of \$76 million each. The partners discussed an IPO at a two-day annual meeting in Rockland County, New York. Goldman's partners have discussed and rejected an IPO seven times in the last 30 years, and most recently vetoed the proposal in 1996. Pressure for a

public sale increased in the past year as the U.S. stock market boomed and Goldman's rivals, Merrill Lynch & Co. and Morgan Stanley, Dean Witter & Co., used the record value of

their shares to help them expand.

Opportunities for Real Estate Investment

All the conferences will be held in Paris.

PACE 16

By Tim Smart

Washington Post Service WASHINGTON — Corporate profits have been getting a lift recently from a layers of accounting, is dribbling down surprising source — the long bull marto the bottom line. And that is giving an pension funds. These pension plans, once a drag on earnings, are bolstering the financial performance of many of the country's best-known companies.

the accounting rules that govern the more than \$1 trillion in private pensions. Under those rules, companies make assumptions about how much they will earn on their pension assets, how much have to make new annual contributions, they will have to pay out to future retirees and they are earning income from the and the future level of interest rates.

But what has been happening during stock market's rise. the buil market is that those assumptions have proved too conservative - and the

paced historical trends.

The excess, filtered through many when earnings are being squeezed from lack of pricing power and rising wage pressures. Some companies are siphoning off some of the pension surplus to The pension-fund bubble stems from pay for other corporate needs, such as early-retirement plans, retiree health benefits and even merger financing.

For many businesses, the gain is twofold: Their plans are so flush they don't excess that has built up throughout the

Among the winners: • General Electric Co. has not had to

103,4000 6,5300

tations as stock-market returns have outbillion fund since 1987. The plan rehad enough excess cash in its \$19 billion

1985, seems to have done just the opturned 19.8 percent last year, more than fund — a hefty \$2.8 billion — that the double what the company had projected. That lifted assets by more than \$5 billion and helped GE book \$331 million in benefits for retired workers. ket's effect on the value of corporate extra boost to corporate profits at a time additional pretax income. The huge gain would have been even greater, except that GE took \$412 million more to pay is so overfunded that it has \$1.53 in benefits to workers it encouraged to take

early retirement. Mobil Corp. has reduced the amount it records annually for its U.S. pension costs by \$42 million over the past three years — a reduction of 22 percent.

• AT&T Corp. has a pension plan so flush with cash — \$6 billion more than it needs - that it was able to offer sweetened early-retirement packages to about 10,000 managers. The enticement worked: About 14,000 have retired.

• DuPont Co., while recording a \$26

potential earnings swings for years to come and about the extent of disclosures they would have to make about the fi-

Ops Materity Price Cit Yd Italian Lira

Japanese Yen 06/20/00 107.8750 4.1700 03/20/02 116.4867 4.5700 12/20/04 122.0000 3.8900 03/20/03 11644 3.8700

Swedish Krona

6 01/31/08 107.3500 5.5900 10¼ 05/05/00 110.4640 9.2800 5¼ 04/12/02 103.3180 5.3200 10¼ 05/05/03 124.2080 8.2500 13 06/15/01 123.5050 10.5300 U.S. Dollar

65,8670 10,0700 81,7976 8,1000 100,0649 5,7500 75,3544 7,6300 67,0833 10,2500 96,2535 10,1300 98,5533 11,9200 115,5944 9,9100 93,2233 9,5200 90,4540 11,1900 17 Elb
18 Elb
19 Elb
21 Argentina por L
24 Brazil FRN 6% 01/01/01 67.0633 10.2500
29 Argentina 94 92/19/27 94.2535 10.1300
31 Russia 11½ 06/10/03 98.5533 11.9200
42 Mexico 11½ 06/10/03 98.5533 11.9200
42 Mexico 11½ 05/15/25 115.9944 9.9100
76 Brazil 10¼ 05/15/27 90.4540 11.1900
77 The Brazil 10¼ 05/15/27 90.4540 11.1900
79 Venezuela FRN 6% 12/31/08 97.0500 7.8300
82 Mexico PRN 6% 12/31/19 95.5310 7.3100
83 Russia 11½ 01/30/17 107.5700 10.5700
84 Mexico DFRN 6.6016/12/81/9 91.8125 7.1900
92 Mexico par A 6½ 12/31/19 83.8742 7.4500
94 Mexico DFRN 6.6016/12/81/9 91.8125 7.1900
96 Brazil Cobond S.L 5 04/15/14 89.3985 5.5900
97 Venezuela 9½ 02/05/06/01 105.3614 9.2500
113 Mexico 9% 07/15/07 105.8637 9.3300

Board, Alan Greenspan, helped the rally along by suggesting that the brunt of Asia's economic troubles has not yet reached the United States, quashing con-

posite. "What this has meant from the chemicals maker could afford to take adoption of Statement 87 is improved subtractions from a company's current \$250 million from the fund to pay health earnings performance for many of these income, because of the way companies partner in the Washington office of ac- closures are often buried in footnotes in • Norfolk Southern Corp.'s pension countants Coopers & Lybrand LLP.

fund, covering only nonunion workers, There are some creative, albeit legal, ways to snare some of the riches inside for the thing in the notes," said Tim assets for every \$1 of liability. The an overfunded plan. In 1996, Boeing Coused \$100 million from its pension fund strong performance of the fund last year enabled the company to record \$25 milto help finance its acquisition of Rockwell International's defense electronics continue is anybody's guess. It is Accounting and labor laws restrict what companies can do with the funds, which are legally separate from the firms themselves, though they still have some

lowering the cost of its acquisition. Sometimes such clever financial moves can backfire. The Supreme Court has agreed to hear a case brought by counting Standards Board proposed new former Hughes Aircraft Co. workers accounting rules, known as FAS 87, for who allege that the company effectively terminated its plan when it stopped employee contributions and froze benefits in a plan overfunded by \$1 billion, using the excess to begin a new plan.

Under pension law, surplus assets in But the long bull market, which began

funds have swollen far beyond expec-make an annual contribution to its \$38.7 million expense for its plan in 1997, still a few years before the rule took effect in did not constitute a plan termination. Changes in the pension fund accounts often result in significant additions to or companies," said Harold Dankner, a must account for such actions. The disthe back of annual reports.

"You really have to know how to look Lucas, who helped draft the original FAS 87 rule.

How long the overfunded status can unit. Boeing transferred that sum to the underfunded Rockwell plan, effectively terest-rate trends. But even if the market terest-rate trends. But even if the market takes a mm for the worse, the effect on the pension expenses and ultimately the bottom line will not be immediate.

Most companies have been squirreling away a portion of their annual gains over the past several years, in effect building a huge treasure chest on paper that they can tap over time.

Just as it took many years of strong market gains to provide the payoff that is now being realized, it will take some plans that are terminated belong to the time before all of the excess billions in employees. Hughes contends its actions pension funds come out of the system.

### **Most Active International Bonds**

Rnk	Name	Cpn	Maturity	Price	CrtY
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Aus	trian Sc	ناازنر:	ng		
21 <i>0</i> Au	estria	5	01/15/08	100.8780	4.960
Aus	tralian	Dolla	16		
	pensind Tay		06/14/05		
243 N:	Wales Tsy	61/2	43/01/06	104.3742	6.230
Brit	ish Pou	nd			
	inington FR)	7.950			
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	nnie Mae	67%	06/07/02	97.3344	
215 EJ		614		103,7351	
239 Ai	e Valley FRI	7.640	011/04/39	99.7500	7.6600
246 Br	itain	61/2	12/07/03	102.7500	6.3300
Сап	adian D	olla	· .		
233 Cd	nada Tbill	zero	12/10/98	97.6150	4.9300
Dan	ish Kro	ne			
	nmark	7	11/15/07	114.9800	6.0900
	nmark	8	03/15/06	119,4300	6.7000
	nmark	9	11/15/00	110.0500	8.1800
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23 Denmark	6	11/15/09	107.7100	5.5700
40 Denmark	6	12/10/99	102,2400	5.8700
63 Denmark	8		114.1200	
66 Denmark	7	12/15/04	111.8700	6.2600
70 Denmark	6		105.1500	
81 Denmark			121.1000	
88 Realkredit Dan	6		97.0400	
90 Denmark	9		101.9000	
95 Realkredit Dan	7		101.5200	
111 Unjkredit	6		97.4300	
112 Nykredit	6		97.0500	
122 Denmark	8		110,5500	
123 Nykredit	7		101.5000	
125 Denmark	4		99.4700	
140 Denmark	4		99.0100	4.0400
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Deutsche M	<u>ark</u>			
1 Germany	51/	01/04/08	102.9483	5,1000
3 Germany	6	01/04/07	108.4500	5.5300
4 Germony	6		108.7300	
5 Germany	8	01/21/02	111.8500	7.1500
6 Germany	4		99.9700	
7 Germany	55%		104.1667	
8 Germany	41/2	02/18/03	100.1975	4,4900
11 Ca	41.	000 500	164 6000	/ 0 /00

i ocialiday	3.7	01/04/00 102:7403 3:1000
3 Germany	6	01/04/07 108.4500 5.5300
4 Germony	6	07/04/07 108.7300 5,5200
5 Germany	8	01/21/02 111.8500 7.1500
6 Germany	4	03/17/00 99.9700 4,0000
7 Germany	5%	01/04/28 104.1667 5.4000
8 Germany	41/2	02/18/03 100.1975 4,4900
11 Germany	61/2	03/15/00 104.0900 6,2400
12 Germany	5	11/12/02 102-2200 4,8900
13 Germany	41/2	05/17/02 100.3090 4,4900
ió Germany	67/6	05/12/05 112.7767 6.1000
22 Germany	4V2	08/19/02 100,3550 4,4800
25 Germany	6	01/05/06 107.9900 5.5600
26 Germany	61/2	07/04/27 115.7522 5.6200
27 Treutiand	7/2	09/09/04 115.2400 6.5100
28 Germany	6	02/16/06 108,0500 5,5500
30 Сегтолу	4	09/17/99 100.1400 3.9900
32 Germany	73/8	01/03/05 115.0700 6,4100 02/21/01 102-6200 5,1200
33 Germany	514	02/21/01 102-6200 5,1200
34 Germany	٤٧a	10/14/05 110.9400 5.8600
35 Germony	9	10/20/00 110.6100 8.1400
36 Germany	57/6	05/15/00 103.3200 5.6900
37 Trevhand	67/n	06/11/03 110.3733 6.2300
38 Germany	514	08/22/00 103,3600 5.5600
39 Germany	84	09/20/01 111.6466 7.3900
41 Germany	41/2	02/22/02 100,4800 4,4800
43 Treuhand	74	
44 Treuhand	64	05/13/04 110,9200 6,0900
45 Germany	614	04/26/06 109,3190 5,7200
48 Germony	44	
49 Treuhand	654	
50 Germany	8	07/22/02 113.2400 7.0600
53 Germony	84	07/20/00 109.2200 B.0100
54 Germany	5%	11/21/00 102.2100 5.0100
56 Germany	5.	05/21/01 102.0800 4.9000
57 Germany	64	04/22/03 109.7033 6.1500
58 Germany	814	08/20/01 113.0100 7.7400
59 Germany	34	03/19/99 100,0000 3,7500
61 Germany	7V2	
62 Treuhand	74	10/01/02 112,7100 6,8800
64 Germany 65 Germany 94	6 6¼	06/20/16 110.3625 5.4400 01/04/24 113 5.5300
68 Treuhand	7½	
oo Heerigiid	//	01/29/03 110.8500 6.4300

	137:Treunang 148 Germany	511	04/29/99	101.6500	5.6600
		9	01/22/01	111.5900	8.0700
	151 Germany	614		111.2300	6.0700
	157 Germany	61/2		108.8750	5.9700
	169 Deutsche Bahn	5	06/10/08		5.0100
!	171 Germany	81/2		108.9700	7,8000
	174 Treuhand	614	03/04/04	108,3100	5,7700
	178 ĶFW	5	01/04/09	100.5000	4.9800
1	1 <i>7</i> 9 Germany	67/2	02/24/99	102,0900	6.7300
	188 Germany	546		105.6300	5.3300
	190 Сегталу	6%	12/02/98	101.5400	6.7700
	192 Treumand	5	01/14/99	100,7400	4.9600
	202 Germany	734		106,0000	7.3100
	204 Germany Tollis	zero	07/17/98	99.7136	2,8700
	205 Germany	814	05/22/00	108,5900	8.0600
	213 Germony SP	zero			5.6100
	232 Germony	31/2	09/18/98		3_5000
	244 Denmark FRN		509/10/01		3.4200
	247 Germany	74		104,9300	6.9100
	249 Germany	634		101,9125	6.6200
	247 Octionly	U-74	01/2477	101.7123	12.02.00
		_			
	Dutch Guild	8ť			
		_			
	51 Netherlands	9		111.3500	8.0800
	52 Netherlands	514		103,2000	5.0900
	55 Neitherlands	71/2	04/15/10	122,8500	6.1100
	60 Netherlands	574	09/15/02	104,9000	5.4800
	67 Netherlands	574	02/15/07	106,9500	5.3800
	100 Netherlands SP	zero	01/15/23	26,2000	5,5900
	104 Netherlands	9	05/15/00	108,7500	8.2800
	106 Netherlands	574	01/15/04	105.8500	5.4300
	107 Netherlands	71/2		130,2000	5.7600
	108 Netherlands	814	03/15/01	110.70	7.6800
	116 Netherlands	9		110,3500	8,1600
	129 Netherlands	51/2		102,2200	5.3800
	134 Netherlands	834		113,0800	7.7400
	135 Netherlands	614	07/15/98		6.2400
		94			
	139 Netherlands		11/30/00	111.40	8,3000
	142 Netherlands	71/2	00/13/99	103,4300	7.2500
	152 Netherlands	81/4	06/15/02		7.2500
	160 Netherlands	7	03/15/99	102.2700	6.8400
	164 Netherlands	7	06/15/05		6.1500
	168 Netherlands	614	11/15/05	112.70	5.9900
	186 Netherlands	814	02/15/02		7.3200
	187 Netherlands	814	02/15/00	104,5000	7.7500
	189 Netherlands	7	02/15/03	110.40	6.3400
	193 Netherlands	81/2	06/01/06	124.6500	6.8200
	198 Netherlands	814	09/15/07	125.3500	6.5800
	200 Netherlands	84	02/15/07		6.6400
	203 Netherlands	714	10/01/04	114 1500	6.3500
	206 Netherlands	zero	07/31/98		3.3300
	225 Netherlands	-6	01/15/06		5.5500
	227 Neth Thills	zero	08/31/98		3.4500
			05/01/00		
	229 Netherlands	874	02/01/00	100.1000	B.0900
	237 Netherlands	7.	08/15/99		6.7700
	242 Netherlands	74	07/15/99	143 <i>43</i> 40	7.0100

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French Fran	c			
138 France OAT SP 143 France OAT SP 143 France BTAN 181 France BTAN 191 France OAT 194 France OAT 221 France BTAN	5¼ zero 4¼ 4 4 5¼ 8½ 7¾	04/25/23 03/12/02 07/12/00 01/12/00 10/25/07 04/25/23	103.7500 25,5000 101.2300 99.7400 99.9700 104.7700 142,8000 106.3500	5.0900 5.6400 4.6900 4.0100 4.0000 5.2500 5.9500 7.2900
ECU	_			
46 Italy 71 France QAT 73 France 89 France BTAN 101 Finland 103 France OAT 109 Sweden 110 France BTAN 175 EIB	5 51/4 51/4 5 7/2 5 4 5	04/25/07 04/25/08 07/12/02 04/25/09 04/25/05 01/28/09 07/12/00	116.1500 99.7317	4.9800 5.3400 5.1400 4.5000 6.4600 5.0100 4.0200 4.9800

45 Germany	0.74	0-12-4-00 101-3170	3.7 200				
48 Germony	44	11/20/01 101,3400	4,6900		_		
49 Treuhand	654	07/09/03 109,3800	6.0600	ECU			
50 Germany	8	07/22/02 113,2400	7.0600			<del></del>	
53 Germany	874	07/20/00 109.2200	B.0100	46 Italy	5	05/01/08 100.3519	4.9800
54 Germany	51/8	11/21/00 102.2100	5.0700	71 France CAT	5%	04/25/07 103,0000	5.3400
56 Germany	5	05/21/01 102 0800	4.9000	73 France	514	04/25/08 102,2280	5.1400
57 Germany	64	04/22/03 109,7033	6.1500	89 France BTAN	41%	07/12/02 100.0700	4.5000
58 Germany	834	08/20/01 113,0100	7.7400	107 Finland	772	04/25/09 99.7300	5.0100
59 Germany	34	03/19/99 100,0000	3,7500	103 France OAT	76	04/25/05 116.1500	6.4600
61 Germony	71/2	11/11/04 115,5400	6.4900	109 Sweden	772	01/28/09 99.7317	5.0100
62 Treuhand	744	10/01/02 112,7100	6.8800	110 France BTAN	ă	07/12/00 99.4900	4.0200
64 Септилу	6	06/20/16 110.3625	5.4400	175 EIB	- 2	04/15/08 100.3904	4.9800
65 Germany 94	614	01/04/24 113	5.5300	241 Itoly	ZETO	03/07/11 51.1250	5,4000
68 Treuhand	7Va	01/29/03 110,8500	6.4300	245 France OAT	814		
				2-2 I MILE VAI			<i></i>
The Wee	k A	head: wo	rid En	onomic Calenda	e Ju	ne 15-10	
1110 1104			'' I'U LV		u, vu	10 13-13	

France OAT France OAT France BTAN	514 81/2 7%	04/25/23	104.7700 142.8000 106.3500	5.2500 5.9500 7.2900
บ				
taly	5		100.3519	4,9800
France OAT	51/2	04/25/07	703,0000	5.3400
France	514	04/25/08	102,2280	5.1400
France BTAN	41/2	07/12/02	100,0700	4,5000
Finiand	5	04/25/09	99,7300	5.0700
France OAT	71/2	04/25/05	116.1500	6.4600
Sweden	5	01/28/09	99.7317	5,0100
France BTAN	4	07/12/00	99,4900	4.0200
EIB	5	04/15/08	100.3904	4.9800
toly	zero	03/07/11	51,1250	5,4000
France OAT	814	04/25/22	138,4300	5,9600

## 183 World Bank 194 Arg Borries 195 Brazil L. FRN 201 Hunfingth FRN 208 Nigeria 211 Bulgario ffirb A 212 IADB 201 Humingin FRN 4.1375 0402/28 208 Nigeria 51/4 11/15/20 217 Bulgaria 87/6 4 11/15/20 217 Bulgaria 87/6 4 21/24/28 212 LADB 54/4 02/24/08 214 Peru Pdi 4 03/07/77 216 Canada 54/6 02/24/08 216 Bao Brosil FRN 54/6 10/14/99 220 Poland FRN 54/354 04/01/01 226 First Dom FRN 54/354 04/01/01 228 First Dom FRN 54/354 04/01/01 230 Expan Dev 6 05/13/03 1235 Venezuela par B 64/4 02/31/20 238 Delphes Numb 2 73/4 05/05/09 1

taly	5	05/01/08	100.3519	4,9800
ronce CAT	51/2	04/25/07	103,0000	5.3400
rance	514	04/25/08	102.2280	5.1400
ronce BTAN	41/2	07/12/02	100,0700	4,5000
inland	5		99.7300	5.0700
runce OAT	71/2	04/25/05	116.1500	6,4600
weden	5	01/28/09	99.7317	5.0100
rance BTAN	4	07/12/00	99,4900	4.0200
EIB	5	04/15/08	100.3904	4.9800
taly	zero	03/07/11	51.1250	5.4000
TODE OAT	814		138,4300	5,9600

## A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

New York: Biotechnology Industry Organization hosts "BIO '98 Inter-Kiev: International Monetary Fund team visits Ukraine to screen economic indexes. The IMF board is national Biotechnology Meeting & expected to make a decision soon on a loan to Ukraine of at least \$2.2 billion over three years.

London: Office for National Statistics releases the public-sector borrowing requirement for May and the retail price index for May.

Mexico City: Government releases

Board releases its regional outlook

based on reports from the Fed's 12

the unemployment rate for May.

Washington: Federal Reserve

leases weekly unemployment

Melbourne: Australia Summit. Prague: Czech Statistical Office re-Guests include Chief Executive Tung leases April retail trade figures. Chee-hwa of Hong Kong. Melbourne Convention and Exhibition Center. trial output figures for April. Information: (613) 9686-0899. Tokyo: Bank of Japan releases figreleases employment index. ures on money supply for May.

ssion on exports to China.

nal figures for housing permits is-

Expected Seattle: The Asia Society, Washington State China Relations Council and Hong Kong Trade Development

Monday

Friday

opment Council host a seminar on

challenges in Hong Kong. From Mon-

business opportunities and policy

day to Tuesday. Sheraton Seattle Hotel. Information: (212) 288-6400. Hong Kong: Government releases

May unemployment figures. Tokyo: Ministry of Finance relea

current-account balance for April.

Ministry of International Trade and Industry releases revised industrial production figures for April.

Wednesday Seoul: Korea Trade and Investment June 17 Promotion Agency holds a training London: Office for National Statistics releases the Labor Force Survey for February to March, average earnings for March, manufacturing Wellington: Retail sales in April. Fiunit wage costs for April, and

Warsaw: Central Statistical Office

claimant unemployment figures for district banks. Budapest: Debt Management Agen-Washington: Commerce Departcy auctions 17 billion forints of sixment reports international trade balmonth Treasury bills. ance for April. Labor Department re-

Sydney: Government releases its Thursday first-quarter labor-cost index report. June 18 Tokyo: Ministry of Finance releases figures on merchandise trade for

orders-on-hand for April.

quarter housing-starts report.

Hong Kong: Government releases

Sydney: Government releases first-

Wellington: Preliminary figures for housing permits issued in May.

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sued in April.

Prague: Czech Statistical Office releases first-quarter gross domestic

Madrid: National Statistics Institute

releases industrial production report

product figures and May foreign trade figures. Paris: Alstom SA share price is fixed for its initial public offering.

Mexico City: Government releases April retail and wholesale sales. Ottawa: Statistics Canada releases May consumer price index figures. Washington: Treasury Department releases May budget statement; Fed's weekly report on loans.

## Price Rise Signals a Good Time to Buy

nancial health of their funds.

lion in additional pretax income.

Ironically, when the Financial Ac-

pensions in the early 1980s, companies

objected vehemently. At the time, they

worried that the new rules would lead to

NEW YORK -- Long-term Treasury soon. Government bonds across Europe bond prices soared last week, driving yields to record lows, and some investors say now might be a good time to

Japan is in a recession, financial markets across Asia and in Russia are turnbling, and the dollar is surging. What's more, U.S. manufacturing is starting to slow, and the economy already boasts the lowest inflation rate since 1986.

The picture offers "an all-clear type of signal for more price gains" in the Treasury market, said William Gross of Pacific Investment Management Co. in Newport Beach, California. Thirty-year bond yields may fall to 5 percent before

long, he said.
The yield on the benchmark 30-year bond finished Friday at 5.67 percent, down from 5.79 percent a week before. At one point Friday the yield fell to 5.64 percent, the lowest level since the government began regular sales of the securities in 1977. The chairman of the Federal Reserve

cern the Fed will raise bank lending rates soon. Government bonds across Europe Still, "with Asia as the backdrop" she also rallied on Mr. Greenspan's remarks, expects 30-year yields to drop to 5.50 which came in testimony Wednesday to the Joint Economic Committee of Con-

"It may be slower going from this point, but I think we can go higher in

### U.S. CREDIT MARKETS

Greenwich Street Advisors. "I'm assuming we'll see at least 5.25 percent long bonds.'

Other investors are doubtful, saying yields fell so far, so fast in the past couple of weeks that it is unrealistic to

with the economy still strong. "I'm not so sure the momentum is going to carry through unless we see the would bene economy slowing down," said Eric terest rates. Cheung of Wilmington Trust Corp. in

Wilmington, Delaware. offer higher yields than U.S. govern-

"It may be time to pull in a little bit for overnight bank lending, a sign right now," said Susan Huang of Chase traders may be expecting rates to drop.

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percent later this year. Like Ms. Huang, many investors expect Asia's crisis will push Treasury yields lower. In part, that is because international investors flock to the safety

of U.S. government debt with every bout of Asian turbulence. Meantime, the Commodity Research price," said Jim Conroy, a manager at Bureau's index of 17 raw materials prices fell every day this week to a four and a half year low. "The world is for sale, and the proceeds are being put in U.S. Treasuries," said Mr. Gross of Pa-

cific Investment Mr. Gross said he would consider expect more gains right away, especially buying Treasury bonds due in five to seven years because they offer about the same yield as longer-term debt, and

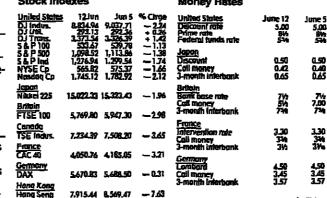
would benefit more if the Fed cuts in-'Greenspan indicated he's not raising rates," Mr. Gross said. "He's not saying He recently sold Treasury securities about lowering rates, but the market's and bought asset-backed bonds, which sniffing that out." Treasury paper maturing in two to 10 years are all yielding less than the Fed's 5.5 percent target

### New International Bond Issues

		_		
Compi	led I	by	Charlotte	Sector

100	Brozil Coond S.L S 04/15/14 89.3985 5.5900 Venezuela 94 09/15/27 83.6636 11.0600 R Mexico 94 02/06/01 105.3614 9.2500 3 Mexico 9% 01/15/07 105.8637 9.3300	reached the United State	es, quashir	ig con-	πig	ht now,	," said	Susan Huang of Chase traders may be expecting rates to drop.
112	Brazil S.Zi FRN 64/1 04/15/24 79.1714 8.3700   Korea 84 04/15/03 95.3487 9.1800   Amoco 6 06/09/08 99.5882 6.0200	New Inter	nati	one	al I	Bor	d I	ssues
124 126	i Poland Inter 4 10/77/14 91.1563 4.3900 I Italy 67/1 09/27/23 109.8750 6.2600 I Brazzi par ZI 5V2 04/15/24 71.5938 7.6800	Compiled by Charlotte	Sector		_			
127 133 141	/ Broz0 S.L. FRN 61/4 04/15/09 81.8125 8.1700 8 Mexico 84/12/08 98.5000 8.7600   Ecuador par 31/2 02/28/25 54.3750 6.4400	Issuer	Amount (millions)	Mst.	Coup %	Price	Price end week	Terms
144	TMCC 6 05/08/03 99.8792 6.0100	Floating Rate Notes						<del></del>
144	SEK \$r345 6 05/19/03 100.2500 5.9900 UnionBkNorFRN 51/6 05/05/01 99.7168 5.7000	Abbey National Treasury	\$200	1999	0.15	100.00		Below 3-month Libor. Noncollable. Fees 0.50%. (Merrill Lynch Infl.)
149	ADB 5½ 05/19/03 99.4862 5.7800 Venezueka par A 6¼ 03/31/20 85.0000 7.9400	Amethyst Funding	\$200	2004	0.33	100.00		Over 1-month Libor. Noncallable. Fees 0.15%. (International Basis of Japan.)
153 154	Xerox Capita  5% 06/01/00 99.7500 5.8900	Chevy Chase Master Credit Card Trust II	\$468	2006	0.15	open		Over 1-month Libor, Also 572 million, paying 0.38 over Libor and \$60 million privately placed.  Noncollable. Fees 0.275%. (CSFE.)
156	Argentina FRN 63/2 03/31/23 82.6875 8.0100 Ecuador FRN 31/4 02/28/15 67.1775 4.8400	Household Finance	\$500	2005	0.30	99.828		Noncollable, Fees 0.25%. (Mertill Lynch Infl.)
163 163	Mexico A FRN 6.593812/28/19 91.5000 7.2100 Council Europe 5¾ 05/28/02 99.6250 5.7700 Bulgaria FRN 6¾ 07/28/11 75.7329 8.6700	MBNA	\$637.5	2005	9.08	100.00		Over 1-month Libor. Also \$56.25 million, paying 0.25 over and \$56.25 million paying a fixed 6.35%. Noncollable, Fees 0.275%. (Salomon Smith Barney.)
180	Proof Gamble 64s 05/08/08 100.6533 6.0900   KFW Int1 Fin 54s 02/18/03 98.8750 5.6900   Denmark 53s 04/08/05 99.1250 5.8000	Unibank	\$150	2008	0.40	100.00	~	interest will be 0.40 over 3-month Libor until 2005 when issue is callable at par, thereafter 1.90 over. Fees 0.51%, (Saloman Smith Barney.)
183 194 195 201	Bulgaria FRN 64% 07/28/24 79.7188 8.2300 World Bank 54% 03/7/03 99.3000 5.6600 Arg Bantes 84% 05/99/02 96.4450 9.0700 Brazzil L FRN 64% 04/15/06 81.9152 8.0900 Huntingth FRN 6.1375 06/02/08 99.9472 6.1400	People No. 3	<u>52</u> 10	2013	0.20	100.60		Interest will be 0.20 over the 3-month Libor until 2004, thereafter 0.50 over. Also 270 million, paying 0.55 over Libor until 2004, thereafter 1¼ over, and £20 million, paying 1.30 over Libor until 2004, thereafter 1.00 over. Callable in 2001. Fees ranging from 0.075% to 0.30%. Denominations £10,000. (J.P. Margan Securities.)
208 21 7	Nigeria 64 11/15/20 69.7500 8.9600 Bulgario ffirb A 214 07/28/12 65.4375 3.4400	Westpac Banking	£250	2003	libor	99.85		interest will be the 3-month Libor, Noncallable, Fees 0.15%. (Barclays Capital.)
212 214	Peru Pdi 4 03/07/17 65.0000 6.1500	BCH Inti Finance	ECU600	2003	Vis	99.892		Over 3-month Libor, Noncallable, Fees 0.175%, (SBC Warburg Dillion Read.)
218	Canada 51/2 02/19/03 99.3750 5.6600 BCD Brasil FRN 61/2 10/14/99 21.2142 30.6400	Unibank	ECU350	2003	<b>%</b>	100.025		Over 3-month Libor. Noncollable. Fees 0.15%. (Salomon Smith Barney.)
224 226	Poland FRN 611/16 10/27/24 98.9375 6.7600 The Hellenic 6.950003/04/08 103.3750 6.7200 Argentina FRN 5.635404/01/01 90.8500 6.2100	Rheinische Hypothekenbank	ECU500	2001	libor	100.014	_	Interest will be the 3-month Libor. Noncatable. Fees 0.10%. (Commerzbank.)
228 230	First Dom FRN zero 07/10/13 99.8611 0.0000 Export Dev 6 05/13/03 100.3750 5.9800	Sabadeli Int'i Finance	ECU500	2003	V16	99.942		Over 3-month Libor. Noncollable, Fees 9.175%, (Margon Stanley Dean Witter.)
235	Eksportfinons 6 06/02/03 100.2667 5.9800 Venezuela par B 614 03/31/20 85.0000 7.9400	Fixed-Coupons			_			
238	Delphes Numb 2 734 05/05/09 102.3411 7.5700	BMW U.S. Capital	\$300	2001	6	101.025	100_20	Reoffered at 99%, Noncellable, Fees 1 44%, (Commerchank.)
_		Cenargo inti	\$175	934	2008	98.4449		Collable at 104% from 2003. Fees not available. (Bear Steams Init.)
		Household Finance	\$750	2008	6.40	99.665	99.65	Nancaliable. Fees 0.45%. (Mentil Lynch (nrt.)
usmess	News.	Fannie Mae	£500	1999	71/s	99.819	-	Noncallable, Fees 0.075%. (Merrill Lynch Infl.)
	Americas	Midland Bank	£200	2023	61/2	99.083		Noncollable. Fees 0.625%. (HSBC Markets.)
nd	New York: Biotechnology Industry	Argentina	DM1,000	2010		101.84		Reaffered at 99.59. Interest will be 8% until 2002. 814% until 2006, thereafter 9%. Noncollable. Fees 3%. (Devische Bank.)
:0-	Organization hosts "BIO '98 Inter- national Biotechnology Meeting &	Ciba Speciality Chemicals	DM300	2005		101.965	99.90	Reoffered at 99.565, Noncollable, Fees 244%, (Deutsche Bank.)
on 	Exhibition." Until Thursday. Shera-	Ford Motor Credit Corp.	DM2,000	2008		99.619	99.95	Noncallable, Fees 0.45%, (Goldman Sachs Infl.)
2.2	ton New York Hotel & Towers. In-	Instituto de Credito Official	DM1,000	2008	<u> </u>	99.845	99.90	Noncefigble. Fees 0.325%, (Commerzbank.)
	formation: (202) 857-0244.	Japan Finance Corp. for Municipal Enterprises KFW	DM500	2008	5	99.094	99.65	Nancaflobje. Fees 0.325%. (Merrill Lynch Infl.)
		Pocific Life Funding	DM1,000			99.233	100.10	- Land Reference
tis-	Washington: Agriculture Depart-	Albatros	DM350 FF800	2008		99.764		Noncellable. Fees 0.375%. (J.P. Margan (ntt.)
or-	ment reports on 1998 crop condi-	Saint Gobain	FF2.000	2008		101.441		Reaffered at 99.46. Noncallable, Fees 1,70%. (Credit Lyonnais.)
the	tions for wheat, com, soybeans and cotton.	Swedbank	FF1,000	2008		99.053		Reofficied at 99.816. Noncolloble. Fees 2%. (BNG.)
		Deutsche Ausgleichsbank	DF750	2009	5	99.55	100.00	Noncallable, Foes 0.45%, Denaminations 100,000 francs. (J.P. Morgan Intl.)
		Regione Lozio	ECU250		5.6995			Noncollable, issue may be redemonitrated in surgs after EMU. Fees 0.329%. (ABN-AMRO Houre Goveft.)
re-	Mexico City: Finance Ministry re-	Swedish Export Kredit	Y27,500	1999		100.00		Noncollable, Issue may be redenominated in euros after EMU, Fees 0.55%. (SBC Warburg Dillon Read.)
ius-	leases April industrial production.	Equity-Linked						At maturity redeemable in yen unless dollar falls below 116.72, Fees 1.10%. (Dalwa Europe.)
:e :e	Washington: Labor Department re- leases May consumer-price index. Federal Reserve Board reports on industrial production for May.	European Bank for Reconstruction and Development	\$100	2001	0.75	100.00		Semiannually. Collable at par in 2000. Convertible after July 1999 into Makev shares at \$7.41 per share. a 30% premium. Fees 2%. (Margon Stanley Dean Witter.)

## Last Week's Markets



## Euromarts Eurobond Yields Weekly Sales

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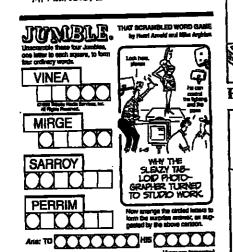
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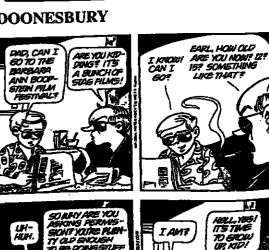






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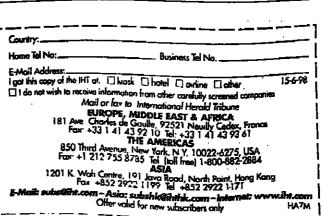


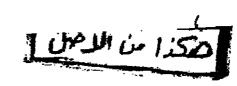
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## Hyundai Chief Sees Light at End of Industry's Financial Tunnel Chung Mong Gyu. 36. chairman of Hyundai Motor Co. South Korca's largest and oldest motor vehicle maker.

discussed the outlook for his own company - and South Korean business and industry in general — with Don Kirk of the International Herald Tribune. They

Q: The South Korean economy is declining sharply this year. How is the motor vehicle industry doing — and your company in particular?

A: At this moment we have a very competitive market situation in South Korea. It's rather chaotic. I'm quite comfortable that the South Korean motor vehicle industry is quite competitive worldwide. Once we go through restructuring, I am confident we can overcome these difficulties.

O: Do you see an immediate possibility of some companies' going out of business or surviving with the aid of foreign investment?

A: Some companies are getting into more trouble than others. One of them is already bankrupt.

Transaction between Kia and Ford and Daewoo and General Motors can happen. There will be a shakeout. In the case of Kia, they haven't invested in new product development for a whole year. I don't think there will be any investment for all of next year.

Kia used to have 30 percent of the market share here. Once they miss two years, Kia will be totally different.

Q: The depreciation of the yen means more competition for you on world markets. How can you compete overseas,

A: The biggest market in North America is for multipurpose vehicles and sports-utility vehicles. We are going to launch them there next year. Everything will improve.

Q: What about competition in what has long been one of your strongest areas, subcompact cars?

A: We are very strong in the sub-

compact market, but in North America the gasoline price is so cheap, so they don't like the small engines. We do very well in Europe.

Q: In competition with Japan, can you afford to keep up in all-important research and development?

A: We haven't reduced any invest-

ment for new products or new R & D. We see this period as a very good opportunity to increase our market share.

Q: What do you think of your gov-

ernment's policy toward companies that are in trouble, such as Kia? A: Some companies are already bankrupt. They are still manufacturing

and selling products in domestic and overseas markets.

There is some question of moral hazard. The bankrupt companies do not have to pay back their loans. They are just generating cash. They are just selling their cars, and there are many other industries like this.

Q: What is your own company's debt-equity ratio, and how do you propose to improve it?

A: As of the end of last year, our debt-

equity ratio was maybe 460-470 percent. In the first six months of this year, it was a little more. In the second half, however, it will be much improved.

There is no magic way to solve the problem. Perhaps the way is by selling some of our assets.

In our plants, we are producing more components than other European or American companies. We can outsource some of our components or give up some of our business in restruc-

Q: Some executives of Korean chaebol, or conglomerates, such as the Hyundai Group, have been critical of govemment pressure on them to restructure or get rid of money-losing entities.

What's your view? A: I totally agree with what the government asks in restructuring of the chaebol. They ask there should be some transparency in transactions among companies within a chaebol. We have to accept global standards. In that sense the government is quite right, and we are willing to accept.

Q: What about government pressure for a "swap" of companies among chaebol with a view of getting rid of the losers while the winners prosper?

A: The swap is practically quite difficult. The Samsung Group doesn't control all of its equity, and the same is also true for Hyundai, so they have to persuade all their shareholders. In the old days it was possible for a chaebol chair-man to control, but now it's a totally different world. Hyundai Motor has to persuade its overseas shareholders. Hyundai only controls 29 percent. My father [Chung Se Yung, who preceded Mr. Chung as chairman of Hyundai Motor] and I control six percent.

Q: But getting back to Kia, wouldn't you like to take it over in the interests of survival of the fittest?

A: We are still very much interested in buying Kia. If we take Kia over, we can share some major components. We can reduce production facilities. It's all

linked with our financial system. I think you have to prune the rosebush so you can make the stronger survive and the weaker die. I think combining with Kia will benefit South Korean in-

Q: How are you going to settle your differences with your labor union, which refuses to accept layoffs as a solution and calls instead for reducing

hours so everybody can hold a job? A: We are trying to minimize the pain. We will try to minimize the number of layoffs. We sympathize with people who are laid off, but we don't want to be another Kia, so Hyundai should survive. So far what the labor union is saying is they want to share the work, they want to work half-time, but they didn't say they will receive only half pay. At this moment, their demand is not very realistic.

### **SHORT COVER**

### Iran-Egypt Agreement CAIRO (AFP) — Iran and Egypt have signed an economic cooperation pro-tocol, the first such measure since dip-lomatic relations were severed 20 years.

ago, Iranian executives said Sunday. The accord was signed Saturday on the sidelines of a visit by a group of Iranian-business executives led by the president. of the Iranian Chamber of Commerce, Industry and Mines, Ali Naghi Khamushi. Egypt cut diplomatic ties with Iran after the 1979 revolution, but relations have improved in recent months.

### India Sets Launching

BANGALORE, India (AFP) - The Indian Space Research Organization said Sunday it would stage its first commercial satellite launching this year, carrying a German and a South Korean satellite as well as a locally built one.

New Delhi aims to carve out a niche in the multibillion dollar commercial satellite launching sector, which has been expanding to keep pace with the world's booming telecommunications sector. The launching date is to be set later.

### Malaysia Output Falls

KUALA LUMPUR (Reuters) -Malaysian industrial production fell 3.4 percent in April, compared with the same month last year, the government said Sunday.

The drop in output contributed to a 1.4 percent decline in production over the first four months of the year, compared with the like period in 1997, the Statistics Department said.

Separately, the Kuala Lumpur Stock Exchange has set up a fund to help clients of ailing stockbroking firms, but the exchange's chairman, Mohammed Azlan Hashim, said the plan was unlikely to cover all losses.

### Tropicana IPO Filed

WASHINGTON (Bloomberg) — Seagram Co. has filed to sell its Tropicana juice business in what would be the biggest initial public offering in U.S.

The sale will raise as much as \$3.6 billion to help expand Seagram's music operations.

If successful, the sale would surpass Lucent Technology Inc.'s \$3.03 billion initial stock sale and re-establish Tropicana as a stand-alone company for the first time since 1978. Seagram disclosed plans for the sale on May 21, when it said it would acquire PolyGram NV.

### AMP Prices Its Shares

SYDNEY (Bloomberg) - AMP Ltd. set a price of 16 Australian dollars (\$9.48) for institutional investors participating in its initial public offering. Shares in the insurance and fund-management company begin trading Monday.

# particularly in North America?

KIM COMES HOME — President Kim Dae Jung of South Korea telling a news conference Sunday in Seoul that his visit to the United States was a success. He also promised to focus on corporate and financial reform.

## Britain May Face Interest-Rate Rise, Report Says

FLONDON - Britain's economy might have to cope with another interest rate rise this summer, according to a report to be released Monday.

But the better news for business from the BDO monthly report of business is that rates could be falling by the first

Italf of 1999. - Stephen Bourne, a partner at BDO Stoy Hayward, business consultants, said. "Businesses are already feeling the pain of higher interest rates, and the possibility of a further interest-rate rise, as suggested by our survey, will not be good for business confidence."

The report, produced by the Center for Economic and Business Research and BDO Stoy Hayward, found business surveys now firmly indicate that growth is slowing.

The report's inflation index has risen slightly as the pound has tumbled from its 1990s highs above 3.10 Deutsche marks to 2.94 DM currently, but it is still pointing to below-trend inflation by

The BDO report encompasses all the Confederation of British Industry's business surveys, the British Chambers

of Commerce quarterly survey, the Institute of Directors quarterly survey, the 3I enterprise barometer, the Chartered Institute of Marketing's trends survey and the Chartered Institute of Purchas-

ing and Supply's industrial survey. Douglas McWilliams, chief executive of the Center for Economic and Business Research, said, "The survey results indicate that the Bank of England's Monetary Policy Committee will be facing some tough decisions over the

He added, "The results show that the economy is slowing down, but they in- reported Sunday.

dicate that growth will remain danger ously fast until the autumn. The Monetary Policy Committee will need strong nerves to prevent a further rate rise.'

The Monetary Policy Committee surprised industry, the financial markets and millions of homeowners by raising its key repurchase agreement rate to 7.50 percent from 7.25 percent.

Eddie George, governor of the Bank of England, was among those to back a quarter-point rise in official interest rates on June 4, citing the need to slow the economy, the Observer newspaper

Armstrong World expects the acquisitions of Triangle Pacific and DLW to hurt earnings beginning in 1999. The company said it expects the acquisition to close in the

Armstrong does not expect to close any manufacturing plants in either company, Mr.

## Going Global, Armstrong Buys Triangle Pacific Bloomberg News strong World agreed to buy finishes buying DLW and said. "Anything in the hard LANCASTER, Pennsyl- German-based DLW AG in a Triangle Pacific, it will be the surface area is an area that

strong builds a global pres-ence in flooring materials. German newspaper, reported last week that some DLW

Armstrong World will pay shareholders believe Arm-\$890 million in cash, or strong's offer is too low. \$55.50 a share, to Triangle Pacific shareholders, a 27 of \$43.75. The deal was an- to buy the company. nounced after the markets closed Friday. Armstrong World will also assume \$260 million in Triangle Pacific

Triangle Pacific makes hardwood flooring products and kitchen and bathroom cabinets. Armstrong World, the top North American maker of vinyl floor coverings, is hoping to expand its presence in other areas of the hard-floor covering market.

"Wood flooring is a fast-growing area, and Triangle Pacific is the leading wood flooring company, said George Lorch, chairman and hief executive of Armstrong. "It's a very compatible product category in terms of

the products we sell." Armstrong World also makes ceramic tile and other building products. It has about 10,600 employees and had 1997 sales of \$2.2 billion. Triangle Pacific had revenue of \$652.9 million in fiscal 1997, with about 72 percent coming from flooring from

Earlier this month, Arm-

vania — Armstrong World stock and debt transaction Industries Inc. will acquire valued at 620 million Triangle Pacific Corp. for Deutsche marks (\$343.4 mil-\$1.15 billion in cash and assamed debt, the latest in a sion in Europe. The Frankstring of acquisitions as Arm- furter Allgemeine Zeitung, a

Mr. Lorch said Armstrong World expects to have at least percent premium over the 75 percent of DLW shares stock's Friday closing price tendered, which will allow it

Once Armstrong World

second-largest maker of floor coverings in the world after Shaw Industries, Inc., a carpet maker, and it will be the

products industry.

largest maker of hard-floor ings in 1998 and add to earncoverings in the world, Mr. Lorch said. It is also looking for acthird quarter. quisitions that will let it grow in other areas of the hard

and business "The building materials Lorch said, even though it industry is in a consolidation will be consolidating sales mode and we see ourselves as and marketing at the two a consolidator," Mr. Lorch companies.

## Business'

### In this week's issue

- Doing business in the internet age: Annual Report on Information Technology
- Asian crisis helps U.S.-China relations
- Europe's stock binge why it's boom time for new share issues in Europe
- Can Korea continue to dominate the chip business?

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REPUBLIC OF LEBANON MINISTRY OF PUBLIC HEALTH COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION

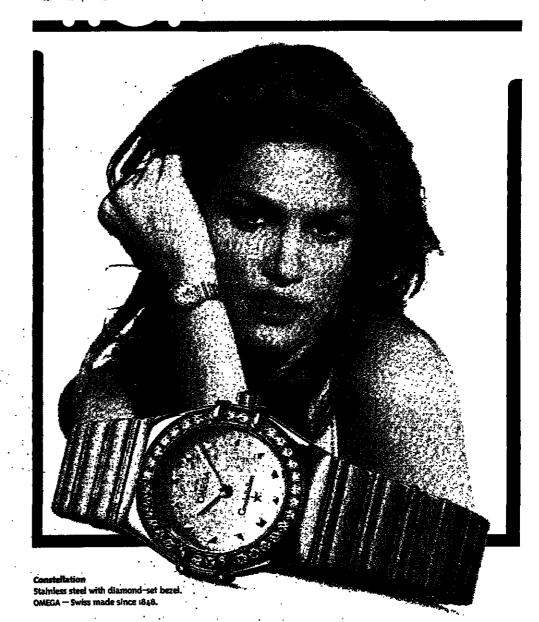
FTOUH KESROUAN GOVERNMENTAL HOSPITAL AT EL BOUAR The Lebanese Government, represented by the Ministry of Public Health and the Council for Development and Reconstruction (CDR), invites Foreign and Lebauese Contractors and Joint Ventures to submit request for prequalification towards the execution of construction of FTOUH KESROUAN GOVERNMENTAL HOSPITAL

at EL-BOUAR (75 beds). The surface of the built area is around 9000 m2 and the period for execution shall be 18 months. The project is financed by the OPEC Fund for International Development (OFID).

Tender Documents shall be available at the end of July 1998 and the offers shall be examined within one month from the date of submital. Prequalification is open to Contractors who have completed similar Hospital Projects. Applicants may obtain the prequalification documents from CDR offices against the payment of a non refundable sum of 1000 USS in the form of a banker's certified cheque in the name of the Council for Development and

Reconstruction as of Monday 15 June 1998. Duty completed prequalification and supporting documents must be delivered in sealed envelopes to the Council for Development and Reconstruction Tallet Al Serail - Beirut - Lebanon, not later than 12:00 o'clock, Beirut local time on Friday 17 July 1998.

## Cindy Crawford's Choice





The sign of excellence

Hanspeter Ackermann, chief investment officer of Deutsche Bank.

## Monetary Union to Open New Investment Doors in Europe From his vantage point as the chief investment officer of Deutsche Bank AG, Hanspeter Ackermann sees ex-Q&A / Hanspeter Ackermann

panding opportunities for investors in a Before, you had different countries. unifying Europe. As portfolio manager like Germany and France, individually of the bank's closed-end New Germany fund, a \$665 million growth fund infighting for market share. They all looked insignificant relative to a large vested primarily in midsize German country like the United States. Now this companies, Mr. Ackermann is deploying is changing. You have a major commoney to pursue some of those opporpetitor - let's just call it Europe. It has tunities. As a Swiss citizen, he sees a much more powerful industrial base. It will not be inhibited by any cross-border firsthand the significance of being in-side or outside the euro club. Mr. Ackermann spoke recently with Sharon R. taxation or inefficiencies.

King of The New York Times.
Q. How will investing in Europe What we're going to see here is a major structural change, much higher change as a result of the creation of the efficiency. I think that there will probably be more money allocated to Europe A. The top-down style of selecting than in the past.

Q. What about countries that remain

outside the monetary union? A. For a country like Britain, it's probably less of an issue to be in or out, because it's a much larger economy with much less dependence on Europe. The U.K. has had more cross-border alliances with the United States than with Europe, so it will be easier for the U.K. to stand outside and to remain outside. In the case of Switzerland, I see difficulties for that country to stay out and to compete with the border restric-

For the smaller European countries, sooner or later they're going to be forced into the same situation, where there will be an overwhelming economic case for joining the European monetary union.

Q. Will companies in countries outside of the monetary union have growth problems?

A. Yes. Distribution will be a prob-

I'm from Switzerland. When I walk through customs in Europe, they treat me like any other passport holder. But if you are part of the union, they basically

just wave you through.

The same effect will probably occur on any distribution or licensing agreement. You would rather give the members of the union preferential treatment. So obviously there's an advantage to be part of the union.

Q. From an investment standpoint, will countries outside of the monetary union be riskier?

A. They should be. You're dealing with higher currency risk; then you have the economic risk of not gaining access to the same markets. There's even a risk of size, which means a liquidity risk.

Q. How do you pick stocks for the bank's funds?

A. There are five criteria. The most important is earnings momentum, to which we allocate roughly one-third of the investment decision-making.

Another third would be management. We look at the track record and the commitment to enhance the company's value. The final third is split between the financial strength of the company and its overall value versus the industry, the stock's history and the market itself.

Q. What are some stocks you own that fit your criteria? A. One of our biggest holdings is

Adidas AG. We have 8.6 percent of the fund in that company. They have acquired Salomon, the ski producer. When we look at other companies like Nike, or Puma in Europe, most of them have lost

market share to Adidas-Salomon. And this is one of the few true growth stories in Germany, in our belief.

We know who sa This company has excellent management. We see roughly 20 to 25 percent earnings growth consistently into the year 2000. What's not included in that figure yet is the effects of the Salomon

acquisition. Salomon has had its strength mainly in France, and Adidas has had its strength mostly in Germany.

But now there should be a massive benefit from synergies.

We also like Continental AG. We have about 4.3 percent of the fund in that. in Europe there are two other major the

companies, Pirelli and Michelin. In our view, there's no room for three major companies in Europe, so at some point you're going to see a merger or alliance.

In Wella AG, the beauty products company, we've seen a management turnaround. In the past, Wella's management has not been very open. The perception was: We cannot trust that firm anymore. But the company did make changes within the management to come back and regain the confi-

## New-Stock Frenzy Hits Paris Bourse

single European currency?

more company-specific data.

European-based fund.

stocks, where you analyze country, in-

dustry and then go down to the stock

level, probably becomes irrelevant. The

which basically is our style. We really

don't look at macro themes, but much

at some point will probably have to be

wider. I can imagine that some funds

might consider changing to a more

The concept of the country fund itself

opposite of that is a bottom-up manager,

PARIS — Overwhelming demand for new growth stocks in France has pushed prices beyond stock market lim-

its and delayed initial trading.

Cyrano, a software maker, and Bricodeal, a home-improvement goods distributor, could not be traded on their first days because prospective buyers bid up their prices beyond limits set by the stock exchange. Second attempts Friday were successful after the share price limits were raised as much as 30

They are just the latest examples. In May, the restaurant operator Groupe Flo was unable to be traded for a week.

Investors' appetite for shares has been voracious amid a rosy outlook for profit growth in France's expanding economy, low bond yields and a record run by the biggest companies' stocks that has left investors looking for value in smaller issues. A new law that gives tax breaks for investing in small highgrowth companies has provided an added kick.

"I'm finding it difficult to get hold of the growth stocks I need to be eligible for those tax breaks," said Eric Fouillard, who manages \$50 million at Banque Hervet in Paris. Many new issues are getting so popular that they simply can't trade.

Under rules of the Nouveau Marche and Second Marche, the Paris markets from 49.86 million francs in April. The

for small- and medium- growth companies, a share is suspended from trading for 15 minutes if its price rises or falls

more than 10 percent.

For some stocks trading on their first day, that limit has been widened in anticipation that high demand will drive up their prices. In many cases that is still not enough, preventing some stocks from being traded at all.

Cyrano shares were sold to investors at 60 francs (\$10) each, and the exchange set a price limit of 78 francs for its first trading day Thursday, 30 percent more than the initial public offering price. More than 3.3 million "buy" orders were placed for the stock that day, of which 1.7 million were "at any price." Only 40,344 shares were offered for sale.

The exchange raised the limit 30 per-cent to 101.4 francs Friday, which enabled the stock to trade.

Bricodeal, which distributes do-ityourself materials to big retailers like Carrefour SA, failed to trade Wednesday, the first day after it sold shares in an initial offering at 290 francs each. On Friday, the shares traded only after the upper price limit was raised 17 percent to 340 francs.

The Nouveau Marche said last week that trading value soared 63 percent in May from April. Trading value rose to an average 81.4 million francs a day

Nouveau Marche share index has risen 86 percent this year. A new law giving tax breaks to life insurance funds that invest half their assets in stocks, and 5 percent in smaller stocks, is expected to provide an additional boost.

Alain Bokobza, European equities strategist at Societe Generale SA, estimates 115 billion francs will flow from bonds alone and into the new stock funds in the first year.

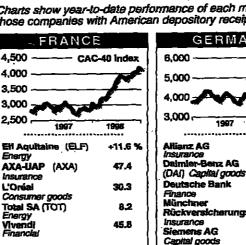
Such is the popularity of new issues that investors are buying even against analysts' advice. "Investors are chasing stocks with their eyes closed," said Philippe Lecoq, who helps manage \$500 million of equities at Ofivalmo in

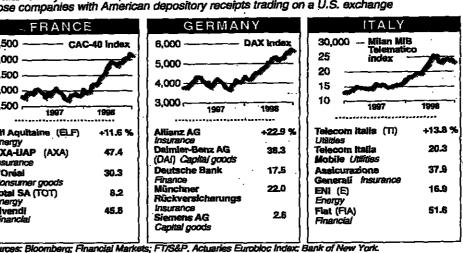
Underwriters defend the practice of fixing initial share prices at modest levels. "The underwriters act as guarantors for the IPO," said Herve Petit of Societe de Bourse Portzamparc, which was part of the underwriting team on Bricodeal. "They have to buy back shares if the issue is not successful. I'd rather have the CEO of the company be upset at roe because of underevaluation than find myself with a whole lot of paper on my hands.

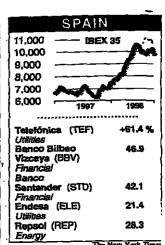
Failed attempts at trading may not necessarily be a bad thing in the longer term, he said.

"It attracts a lot of attention," Mr. Petit said. "And our clients like to have their name in the newspapers."

Charts show year-to-date performance of each market's biggest stocks, in dollar terms. Ticker symbols are included for those companies with American depository receipts trading on a U.S. exchange







### INVEST: Europe's Transformation Is a Boon for Equity Buyers

Continued from Page 1

in equity investing by individual Europeans. As recently as two years ago, Europeans avoided stocks in favor of cautious securities like government bonds. Now they are flooding into the stock markets, and most analysis expect the torrent to become even bigger.

Analysts say the deluge has been driven by two big changes. One is lower interest rates, which have eroded returns on bonds. The second is the growing weakness in government-run pension programs, which are amassing mountains of commitments without the means to honor them.

The result is a rush to mutual funds and a political trend toward promoting American-style private pension funds, which in turn become huge buyers of equities.

"You are looking at a set of cir-cumstances that occur only a few times a century, 'said Phil De Cristo, head of operations in Continental Europe for Fidelity Investments. "We look at Europe as being our prime engine of growth over the next five years."

None of that means that Europe is a safe bet. For one thing, prices have climbed so far, so fast, that some markets may already be dangerously overvalued. For another, though most experts are increasingly confident that the new European Central Bank will establish stability and credibility for the euro, there is still ample room for problems. Even if the euro proceeds according to plan it will create losers as cording to plan, it will create losers as well as winners.

Even so, European economic prospects are better than they have been in years. Total economic growth should reach 3 percent this year, possibly out-pacing growth in the United States. Already, annual growth rates for Por-tugal, Spain and Finland are rising by about 4 percent, while Ireland is up by more than 8 percent.

"If you combine the prospects for economic growth, low budget deficits, low or negligible inflation and low interest rates, you have an economic proposition that is almost embarrassingly rich," said George Hodgson of the Dutch bank ABN-AMRO.

Though the debut of the euro next year will have little direct impact on Europe's growth and prosperity, the preparations have had a huge effect on governments. companies and investors,

European political leaders reached the point of no return May 3, when they formally decided to introduce the euro on Jan. I as the currency of 11 countries: Germany, France, Italy, Belgium, the

Netherlands, Luxembourg, Austria, Spain, Portugal, Ireland and Finland.
Britain, Denmark and Sweden decided to stay out of the monetary union, though they met the qualifications to join. Greece was the only member of the European Union that could not meet the standards, and it hopes to join in several years.

The euro has already transformed economic policy across the Continent, as governments slashed budget deficits and social programs. In the process, inflation was nearly eliminated in historically turbulent countries like Spain, Italy and Portugal. Interest rates in these so-called "Club Med" countries have plunged by half in just two years. Not surprisingly, stock markets in Madrid, Lisbon and Milan have soared faster than almost any others in Europe in the past year.

The advent of the euro also promises to alter profoundly Europe's capital markets. Though the actual bills and coins will not begin to circulate until 2002, stocks and bonds will be traded in euros as of Jan. 1.

In effect, that creates a huge new European market for stocks and bonds that could eventually rival Wall Street in global importance.

"With the European Union, what we "With the European Union, what we are talking about is redefining the idea of mance in the United States, and pess-

a home market," Mr. De Cristo said. imists interpret the numbers to mean "You are creating a massive new entity,

which is Europe or Euroland." For corporations trying to raise capital, that is both good and bad news. On the one hand, it makes it easier to tap a much bigger pool of potential investors. But it also exposes them to bruising new

international comparisons. According to Salomon Smith Barney, for example, the average return on equity for Italian companies was about 9.9 percent last year. By contrast, German companies earned about 12 percent and Finnish companies earned nearly 21 percent. (In the United States, return on equity averaged about 20 percent.)

Competition is also heating up in the real world, the market for goods and

Even though the European Union permits annosi trade between member nations, the babble of different currencies continues to clock price differences between identical products in different markets. In Germany, a cottage industry of auto-mobile "re-importers" buys up Mer-cedeses and Volkswagens in neighboring countries and re-sells them to Germans at prices lower than those of

German car dealers.

In the new Europe, the camouflage disappears and price pressures are expected to increase. "The single currency will put pressure on manufac-turers," said Manfred Gentz, chief

'You are looking at a set of circumstances that occur only a few times a century. We look at Europe as being our prime engine of growth over the next five years.'

financial officer of Daimler-Benz AG. But the benefits far outweigh the disadvantages, and that kind of compe-tition is healthy anyway."

It had better be, because the scramble

for position in the pan-European market has helped accelerate the pace of mergers and acquisitions. Daimler-Benz's stunning deal to take over Chrysler Corp., the third-largest U.S. automaker, was merely the most visible of many huge deals, others of which have involved European banks, retailers, chemical companies and steel producers.

In dollars, the value of European mergers jumped to \$484 billion in 1997, from about \$170 billion in 1994.

"The whole philosophy behind the single market was to enable European companies to enjoy the same economies of scale that companies in the United States and Japan were perceived to enjoy," said Mark Howdle of Salomon Smith Barney.

When they are not merging, Europe's industrial conglomerates have become increasingly preoccupied with improv-ing their performance. One example is Royal Philips Electronics, the Dutch manufacturer of consumer electronics, which saw profits nearly evaporate two years ago because of several flopped products and a disastrous alliance with Grundig AG, the troubled German manufacturer. After severing ties to Grundig and cutting 6,000 jobs. Philips has bounced back with high profits and a soaring stock price.

While individual stories do not add up to a trend, there are broader signs of improvement. Excluding Britain, Europe has seen corporate return on equity climb to more than 14 percent in 1998, from about 11 percent in 1996, according to Salomon Smith Barney.

that Continental Europe remains shy about serious revamping. Optimists, though, see the data as

evidence that European companies still have much opportunity for rapid increases in profitability. And investors are tuning in. "We call it the Stock Market Game,

but we take it very seriously," said Peter Nemec, host and producer of "3 Sat Boerse," Germany's most popular television show for investors. A lot of other people take it seriously, too.

Every Friday night over a six-month period, three investment advisers compete on Mr. Nemec's show, offering their best stock picks. Each adviser is given an imaginary pot of 100,000 Deutsche marks (\$55,300), and the one whose pot is biggest at the end of six 1980 and

Once upon a time, few people were interested. But today, the show draws as many as a million viewers. When contestants tout their newest favorites traders say, those stocks routinely surge

on Monday morning.

"The public has finally discovered stocks," said Mr. Nemec, who could barely scrape together 100,000 viewers when he started in 1988. "When I go to shopping on Saturdays, the shopkeepers recognize me and start asking me what stocks they should buy."

It is difficult to overstate the change

WERAL

in mind-set among investors in Getmany and across most of Contine many Europe. European investors who until recently favored the safety of bonds are a key force behind the bull market. Last year, they poured more than \$70 billion into stock-oriented mutual funds, up from just \$10 billion in 1996.

In Italy, where interest rates bave plunged by more than half in the last year, \$7 billion flowed into stock funds in April alone. Spanish investors have in April atone. Spanish investors have been on a similar rampage. In Germany, private households have more than doubled their stock holdings in the past three years, to about \$300 billion. When Deutsche Bank AG started a new munual fund for small European stocks in April investors contributed more than April, investors contributed more than \$300 million in the first few days.

Such lemming-like behavior often is observed in overripe markets. Europe's mobilization of money does not necessarily mean that its markets will cod-

"Liquidity can be a dangerous animal," said Mr. Hodgson of ABN-AMRO. After all, in an electronic marketplace where trillions of dollars move around the world every day, mutual fund and pension managers routinely redirect

the United States. Spain's red-hot stock market has retreated about 10 percent in the past month, apparently because investors became convinced that stock prices had lost touch with reality.

European valuations look very

rich," said David Bowers, a strategist for Merrill Lynch in London. "There isn't much room for disappointment."

But there are echoes in Europe's boom that make many investors take heart. The flood of money, they say, is United States during the early 1980s when inflation finally subsided and the

buil market began to take off.

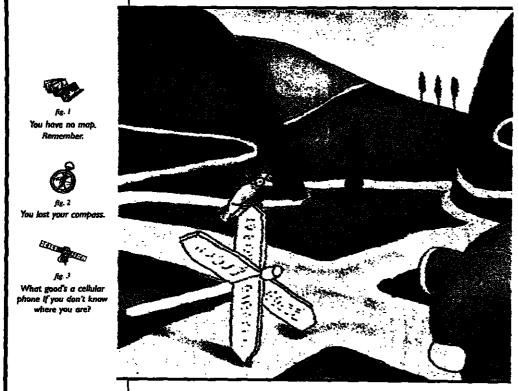
As in the United States, European investors have proved dissatisfied with diminishing bond returns and low in-

terest rates on savings.

"People who have gotten along on gilt-edged bonds suddenly realize that they have to get their returns up," said Jonathan Freeman, an investment banker at Respondence. banker at Beeson Gregory, a Londonbased stock brokerage firm. "It is a new 🔮 game for a lot of people, but I think you are going to see it for a long time.'

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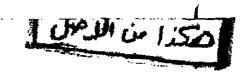
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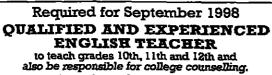
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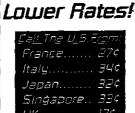
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By Rachel Alexander

WASHINGTON — The first Stanley Cup finals game in the city of Washington produced the same result as the previous two games in this year's final -the Red Wings won by one goal.

Detroit now holds a 3-0 lead and is within one game of a sweep in the best-of-seven series. It was Sergei Fedorov who scored with less than five minutes re-

### NHL FINALS

maining Saturday night to give the Red Wings a 2-1

Detroit laid the groundwork in the first period when it held Washington to just one shot. It was only the second time a team had been held to a single shot in a period in a Stanley Cup finals game.

One team in NHL history has come back to win the

Stanley Cup after trailing three games to none — that feat was accomplished by the 1942 Maple Leafs when in eliminated Detroit. And although karma may be on Washington's side, the better play in this series certainly has come from the Red Wings.

You only need to look at the Red Wings' play, whether it's along the boards or their composure or their grit, and we haven't matched that player for player," said Brian Bellows, the Washington right wing.
"We're finding out that the difference is minuscule, but it really shows up on the scoreboard sometimes."

Detroit silenced the enthusiastic sellout crowd of 19.740 just 35 seconds into the game. Tomas Holmstrom, who has terrorized the Capitals in this series, knocked in a loose puck on the Red Wings' first

Washington, which had recorded one shot at the 20second mark, was unable to regroup, going almost 23



Detroit's Sergei Fedorov, left, and Chris Osgood battling Washington's Dale Hunter in front of the net.

minutes without another shot. Although Washington finally got a goal from Bellows midway through the third period, it wasn't enough to fend off Detroit,

which prevented overtime with Fedorov's goal. "This is when the cliches come out, where you say one game at a time, one shift at a time," said the Capitals' goaltender, Olaf Kolzig. "We can't think about trying to win four straight, because that's too big

Kolzig, who ended the night with 32 saves, often kept Washington in the game, especially in the first period when the Capitals were lucky to escape with a 1-0 deficit. Washington was outshot, 13-1, in the period, matching the Stanley Cup finals record that Detroit set in 1995. In that year, the Red Wings recorded just one shot in the third period of Game 4 against New Jersey, losing the game, 5-2, as the Devils

The Capitals also struggled at the start of the second

period when they took 3 minutes and 11 seconds to get a shot on the net. It came from a defenseman, Joe Reekie, and after taking a deflection almost slid into the net.

Detroit's goal tender, Chris Osgood, had allowed the puck to trickle past him but then stretched backward and grabbed it just before it slipped over the goal line.

Later in the period, Peter Bondra broke free for a two-on-one with Richard Zednik, but Osgood made a nice glove save and the Capitals returned to the dressing room for the second intermission still down, 1-0. It took until 10:35 of the third period for Bellows to break the Detroit yoke, benefiting from nice work from Adam Oates on the left side of the Detroit zone. Weaving through the Red Wings' defense, Oates took the puck to Osgood, who made the initial save after Kris Draper dove to the ice. But by then, Kirk Maltby was poking at the puck to get it out of danger and instead directed it toward Bellows, who knocked it

into the net to tie the game at 1.

## Bulls Still Confident After Loss in Game 5

Defensive Changes Aided Utah's Victory

By Mike Wise New York Tones Service

CHICAGO - Michael Jordan recalled being one of the last players to board the team plane in 1993. The Chicago Bulls were off to Phoenix for a Game 6 they had not envisioned after failing to clinch their third straight title

"I got on the plane with a cigar and celebrated a little bit and got everybody else to enjoy themselves, relax a little bit and play the game," Jordan said, re-

### NBA FINALS

ferring to how he alleviated some of the pressure the Bulls would face against the Suns.

Five years later, the Bulls found themselves in a similar predicament. They led three games to two going into Game 6 on Sunday night in the NBA finals because Karl Malone and the Utah Jazz had canceled Chicago's confetti shower on Friday night by pulling out Game 5, 83-81.

Thirty minutes after Jordan's lastsecond 3-pointer did not draw iron, five United Center employees walked across the floor with the franchise's five world championship trophies, preparing to pack them away for another day.

"Sure, we blew our opportunity," Jordan said. "This happened to us before. My job as a leader is still to maintain the positive thought process that it takes to go into a road game and come out with a win. Now, how do I that? I don't know yet."

There is no place in the National Basketball Association like Utah's bome, the Delta Center, a closed-in, cacophony of sound where the Jazz has gone 44-7 this season. Chicago was a mediocre 25-16 on the road during the regular season, and the Bulls have lost four of their last five playoff games in visiting arenas — including all three to the Indiana Pacers in the Eastern Conference finals.

Part of their job Sunday night was to phase out a hostile crowd, but also to try to get over a hangover from Friday

The Bulls seemed on their way in the first half of Game 5, holding Utah to 30 points with the same stingy defense that had paved their way to a 3-1 series lead.

But then Jordan and Scottie Pippen began missing shots, unable to go to the rim without a purple jersey in their way. They missed 31 shots between them and received no help from Luc Longley, who contributed six points and three

Jeff Homacek, assigned to Jordan duty for much of the series, did not match up against Jordan at all in Game 5. Instead, Coach Jerry Sloan turned to

NBA FINALS

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the quicker Bryon Russell. When Jordan put the ball on the floor, another

Jazz defender helped out.

And for once in five games, not a single Bull could distract Karl Malone on offense. He scored 39 points and hit a clutch baseline jump shot with 53.3 seconds left to give Utah a four-point cushion and interrupt Chicago's parade.

"I think it was just a lot of distractions that sort of took our focus away from what we had to do tonight," Pippen said afterward of the pregame revelry. Asked the team's mood after Game 5, Pippen said: "It was quiet, pretty much. We know what we have to do now. We have to go there and win a game on their court. Coach Phil Jackson would not blame .

the championship preparation for his team's ills. Instead, he chose congested traffic from the suburbs into the city.

"I think we were concerned just driv-ing to work," Jackson said. "It took us two hours to come down to work. We knew it was going to be a difficult game to get going, because of the transportation problems that were out there. The Bulls had worse problems driv-

ing to the basket on Friday. For one of the few times in the past week, they met resistance. The Jazz, an accommodating team that once acted as if it did not want to rankle NBA royalty and felt no shame in losing to Jordan, finally began to play with the same emotion and precision that won the West.

In what may be the last days of the dynasty, Jordan had another great challenge before him: winning one game on another team's floor for his sixth title in eight seasons.

## Pirates Find Their Stroke Against Brewers, 7-2

Mark Smith, Aramis Ramirez and Kevin Young homered in the first three innings and the Pirates finally mounted some onense against the Milwaukee Brewers in a 7-2 victory on Sunday in

The Pirates had scored only six runs in four consecutive losses to the Brewers until homering three times off Steve Woodard (3-5), who had allowed only two homers in 13 previous appearances.

The Pirates' starter, Chris Peters (2-4), retired the side in order in five of the six innings he worked, needing only 56

### BASEBALL ROUNDUP

pitches in his longest stint of the season. Peters was in trouble only in the fourth, when Mark Loretta singled ahead of John Jaha's homer, his third of the sea-

Peters settled down to retire the next six batters before leaving, and Elmer Dessens followed with two scoreless innings. Ricardo Rincon pitched the

Phillies 4, Cubs 2 In Philadelphia, Carlton Loewer pitched a five-hitter to win an impressive debut in the major

Loewer walked none and struck out eight, retiring 14 straight batters at one stretch. The 24-year-old right-hander was 7-3 with a 2.87 ERA in 12 starts at Triple-A Scranton.

Loewer kept the Cubs off-balance by mixing his fastball and changeup. He gave up an RBI single to Henry Rodriguez in the second inning, then did not allow another hit until Mickey Morandini singled to start the seventh

After Morandini's liner, Loewer retired Sammy Sosa, Mark Grace and Rodriguez with no further trouble. Jose Hernandez hit an RBI triple in the Cubs'

Braves 5, Expos 1 In Atlanta, Kevin Millwood (9-2) pitched a four-hitter and joined two teammates. Tom Glavine and Greg Maddux, as the NL's top game-winners this season.

The Atlanta right-hander overcame a third-inning homer by the Montreal pitcher, Carlos Perez, and then retired the next 12 hitters. Millwood had seven strikeouts and allowed just one walk, to the first hitter of the game, and 77 of his 113 pitches were strikes. Perez (6-5) hit his third career homer,

but Atlanta bounced back immediately in the bottom of the third, scoring three runs with two outs. Astros 6, Reds 3 In Cincinnati, the

Astros scored two runs off Jeff Shaw to tie the game in the ninth, and three more off him in the 10th inning to earn the victory. Rill Spiers started the tying raily

leadoff double in the ninth and then blasted a two-run homer off Shaw (1-4) in the 10th, his fourth hit of the game. Shaw, who had not given up an earned run in his previous 18 appearances spanning 251/3 innings, gave up one hard-hit ball after another. He had a 0.97 ERA when he took the mound — the best among NL closers — but gave up seven hits, a walk and five runs in two innines. In the American League:

Royals 2, Tigers o Glendon Rusch pitched his first major league shutout, scattering seven hits and giving host Kansas City a victory over Detroit. Rusch (4-8), who had lost five

straight decisions, walked none and struck out five. He never faced more than four batters in an inning and allowed only one runner past first base. Johnny Damon gave the Royals a 1-0 lead two pitches into the Kansas City first, homering off Seth Greisinger (0-2). Luis Rivera added an RBI single in

The Kansas City defense helped out Rusch with two double plays.

David Cone won for the ninth time in 10 starts and Tino Martinez drove in three runs as New York tied an AL record by winning its 24th straight series --- albeit an abbreviated one - with a soggy victory over Cleveland.

Heavy rains postponed the first two games of the three-game series, the first meeting between the clubs since last October's AL playoffs. The finale began in a light rain and was played in a constant drizzle.

The Yankees haven't lost a series since dropping two games to open the season at Anaheim. By winning for the 10th time in 11 games, they became the first AL team since the 1912 Red Sox to win 24 straight series. The 1970 Cincinnati Reds also went unbeaten in 24

Cone (9-1) struck out 12 and allowed just four hits in eight innings. The righthander, who struck out 14 against Florida in his last start, is unbeaten in his last nine decisions. Jaret Wright (5-4), who beat the Yan-

kees twice in last year's division series, gave up three runs and six hits in six innings. Wright was pitching for the first time since June 6, and looked rusty in issuing four bases on balls. Kenny Lofton went 3-for-3 and

homered for the Indians, who hadn't played since last Wednesday. A New York rookie, Ricky Ledee. singled in his first major league at-bat and looked good in left field, and Mari-

ano Rivera gave up an RBI groundout in the ninth before getting his 13th save. Martinez's two-run single gave the Yankees a 3-0 lead in the fifth.

## Tabarly, French Yachtsman, Dies at Sea

PARIS — Eric Tabarly, 66, France's best-known yachtsman and a sailor who crisscrossed oceans to win numerous solo titles, has died at sea, officials confirmed Sunday.

He had been missing since Saturday after falling off his century-old sailboat, the Pen Duick I, while changing sails near the coast of Wales. He was declared dead Sunday morning by offi-

cials in the French port of Brest. Welsh police had said late Saturday

that there was no hope of finding Mr. Tabarly alive. The coast guard in the Welsh port of

Milford Haven said Saturday that they had to presume Mr. Tabarly was dead. The vachtsman had no life jacket and no seaman can survive more than 12 hours in the water at temperatures of 11

degrees Celsius," a coast guard spokes-

man said. He voiced regret that Mr. Tabarly's crew of four, whom he described as inexperienced, had not given the alert until the early hours of the morning.
"They heard him shout for help and dropped a life belt over," he said. They did not know quite what to

Mr. Tabarly was born July 24, 1931 in the western city of Nantes. He learned to love sailing from his father, a businessman and sailing enthusiast.

"Without me, it would just be a boat; without it, my life would probably be different," Mr. Tabarly wrote in his memoirs.

The rugged sailor from Brittany, a former naval officer, was immensely

He shot to fame in 1964 when he won the 5,390-kilometer (3,350-mile) Transat solo race across the Atlantic, beating Sir Francis Chichester. He won the race again in 1976.

Mr. Tabarly was a former holder of the record trans-Atlantic crossing time. He made the crossing in 1980 in 10 days 5 hours 14 minutes and 20 seconds, breaking the 75-year-old record of Charly Bart.

Prime Minister Lionel Jospin said Sunday that Mr. Tabarly "epitomized all the virtues of the seagoing life: pugnacity, uprightness and humanity.

When the accident occurred, he was sailing to Ireland where the Pen Duick I. the 15-meter sailboat that his father bought in 1938, was built in 1898, planning there to observe the craft's 100th (AP, AFP) anniversary.



Mr. Tabarly, shown in a 1970 photo, fell overboard without a life jacket.

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Oliver Rosade, Whisenant (9) and Fasano, W-Rosade, 2-5. L—Florie, 4-2. HRS—Defront, Randa (3), Ta.Clork (12). Assahelm 000 183 010—5 19 0 Teoms 100 000 000—1 6 1 Oliverse, Cadonet (7) and Welbect; Burkett Balles (8), Crubines (9), Gunderson (9) and 1-Special (1) a (9) and i.Rodriguez. W.—Oliveres, 4-2. L.—Burkett, 4-6. Sv—Codaret (1). L-Burkett, 4-6. SV—Codoret (1).

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5-6. L.—Rapp, 5-6. HR5—Defroit, Randa (4), Higginson (12), Anabeim 710 072 022—18 21 2 regulator (12).

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Topus 160 001 121—6 8 3
Washburn, DeLucia (8) and Walkeck: Sele,
Bailes 15). Cathere 16). Gunderson (7).
Lavina (8) and Haselman. W.—Washburn, 2.

Q. L.—Sela, 9-4. HRs.—Taxas. R. Kelly 2 (4),
Simms (4), Haselman (2). NATIONAL LEAGUE

Je.Gonzalez, Foster (5), Pisciotta (6), T. Adams (8), Beck (10) and S. Martinez, Portugal, Gomes (8), Spradfin (7), Winston (10), Borland (10) and Parent, Lieberthal (7). PRINCIPLE OF THE PROPRIES SALE - Springer 21. Philadelphilo. Abreu (6). Colorado 200 001 009—4 8 6 Les Angules 000 002 990—2 5 1 Jm. Wright, Leskanke (6). Veres (7), Dipolo (9) and J. Reede Dreifort, Bruske (7), Dipolo (13) and C. Johnson, W.—Jm. Wright, 5-6. L.—Dreifort, 4-6. Sv.—Dipolo (13). HR.—Colorado, L. Wohler (8). St. Louis 000 020 020—4 9 1 Arizona 000 001 24x—7 11 0 Merches, Croushore (3), C. King (7). Francolore (7), Pointer (8), Brustley (8) and Pagnozzis Ba. Anderson, R. Springer (8), Olson (7) and Miller, W.—R. Springer (8), Close (7) and Miller, W.—R. Springer (4). L.—Brantley, 0-3, Sv.—Olson (8). HRs.—St. Louis, B. Jordon (11), Arizona, T. Lee 2 (13), M. Welliams (13).

Louis, B. Jorgen (11), Anzona, 1, Lee 2 (13),

New York 007 006 000—7 7 0

Florida 290 100 991—4 7 0

R.Reed, J. Franco (9) and A.Castilla:

Meadows, Darensbourg (3), Ojola (6), J.

Powell (9) and Zauri, W.—R. Reed, 8-3.

L.—Meadows, 4-6. Sv.—J. Franco (15).

Lee New York Littlew (9) Etection Materials HRs-New York, Huskey (9). Florida. Kotsay (3).
Military (3).
Military (3).
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Military (7 —Schmidt, 8-3. HRs—Milwookee, Burnitz 2

Reynolds, T. Miller (6), Magnante (8), D. Henry (8) and Eusebia; Klingenbeck Graves (6). Show (9) and Toubensee.
W—Klingenbeck, 1-1, L—Reynolds, 7-4.
Sv—Show (18). HRS—Houston, De.Bell (9).
Cincinnati, R., Sanders (7), D.Young (7), B. Boone (10). Boone (10).

Montreal 408 818 118—7 14 1

Alitaria 942 982 982—9 11 3

MLJohnson, Bennetl (4), M. Voldes (6), M.
Ballista (8) and Widgas, M. Husbard (7);
Glavina, Rocker (7), Ligtenberg (8),
De.Martinez (9) and J. Lapez, W.—Clavina, P.
2. L.—MLJohnson, 8-2. 5v.—De.Martinez (2).

HRS.—Alforita, J. Lapez 2 (15), A. Jones 2 (12).

(12). | Cardinary | Card

CENTRAL LEAGUE Latte vs. Orb. postponed, rain

ICEHOCKEY STANLEY CUP FINALS SATURDAY RESULT

McCarty). Penaties—Simon. (sigshing); Hunter, Was (charging); Hou Was (albowing); Holmstrom Det (goalle Interference); Lapolinis Det (interference) Second Period: None. Penalties—Krygier, Second Period: None. Pendares—Targens, Was (raughing): Eriksson, Det (holding): Larionov, Det (hripping): Druper, Del (raughing): Gonetior, Was (raughing): Taird Period: W-Bellows 5 (Oates, Juneau) (pp). 3. D-Federov 10 (D.Brown, Fettsov) McCarty, Del (tripping) Shots on gook D-13-11-10-34. W- 1-12-5-18. Power-play Opportunities--D-0 of 5; W-1 of 5. Goodles:

### CRICKET SUSSEX VS. SOUTH AFRICA

Suspect: 277 all out South Africa: 96-0 Maich was drawn after rain stopped play. SEI LANKA VS. NEW ZEALAND THERD TEST MATCH, FOURTH DAY SATURDAY DI COLOMBO, SEI LANKA SII LUNKE 206 OND 282 and: 193 and 131 New Zealand: 193 and 151 Sri Lanka won by 164 runs and series 2-1.

GOLF SAPPORO TOKYU OPEN yen (\$704,000) Seppore Tokyu Open on 8,849-yerd, par-72 Seppore Kokusal Country 6-th Shimamatan course Liseanese where

David ishii, U.S. Carlos Franco, Parag. Hajime Meshiol, Jap Kaname Yokoo, Jap 70-64-70-68-274 65-68-72-70-275 68-70-70-68-276 68-73-70-66--277 65-68-72-72--277 68-71-69-70--278 67-68-71-72--278 1., Takamatsu, Jap. Y. Fukuzawa, Jap. **EUROPEAN GRAND PRIX** 

England, was abandoned on Sunday because of a waterlogged course, it was first European Tour event had been use of heavy rain on first two days.

> SOCCER POLAND CUP FINAL onki S. Aluminium Konin 3. OT

MAJOR ILAOVE SOCCER New York-New Jacsey 3, Miorri 1 Weshington D.C. 4, Calumbus 3 STANDSHASE Eastern Cardenescos D.C. 29 points; NY-NJ 22: Columbus 21; Milomi 11; New England 10; Tompa Boy 9, Western Conra; L.A.34 points; Chicogo 22: Dollos 18:

### RUGBYUNION FRANCE TOUR

FIRST TEST MATCH **TELLAND TOUR** PRST TEST MATCH IN BLOEMPONTEIN,

SCOTLAND TOUR
TEST MATCH
SATURDAY IN SYDNEY
rollo 45. Scotland 3 ENGLAND TOUR SATURDAY IN HAMP, TON, NEW ZEALAND IW Zedignd A 18, England 10

### TENNIS GERRY WITHIR OF ID

Poul Hoarbuis, Nerva Pozzi, Holy, 6-3, 7-6 (7-4). SEMIFINALS Yevgeny Katainikov (2), Rus., det, Thomos Johansson, Swe. 7-6 (7-4), 6-7 (4-7), 6-2. Magnus Lansson, Sweden, det, Hoovhuls7-6 (7-5), 6-2.

CARISEO INTERNATIONAL IN BOLOGNA, ITALY on BOLDONA, IMAY
QUARTERPRALS
Juan Antonio Morin. Cesto Rico, def. Mariano Puerto, Argentina, 6-1, 6-3.
Karim Alami (6), Morocco, def. Marzio
Martelli, Italy, 6-4, 6-4.
Dominik Hrboty (8), Slavakla, def. Franco
Squillant, Argentina, 7-5, 6-4.

Koleinikov del. Lareson 6-4. A.A.

SEMBFINALS Korim Alami (6). Morocco, def. Dominik Hrbaty (8), Storetic 1-4, 7-6 (7-1), 7-5.
Julian Alonsa, Spain, def. Juan Antonio
Marin, Costa Rico, 7-5, 6-3.

FINAL Alonso def. Alonsi (6), 6-1, 6-4. QUEEN'S CKAMPIONS RYLONDON GUARTERFINALS

Mark Woodforde (15), Australia Thomas Enqvisi (8), Sweden, 6-3, 1-6, 6-2. Scatt Droper, Australia. del. Daug Floch, Atlanto, 7-6 (9-7), 7-6 (7-5). Louvence Tieleman, Holy, del. Tim Hen man (7), Britain, 2-6, 7-6 (9-7), 6-4, Druper def. Woodforde 6-3 6-2.

Tieleman def. Byron Block (74), Zimbob-we, 3-6. 6-3. 6-2. Droper def. Tielemon 7-6 (7-5), 6-4. DIS CLASSIC

TRANSITIONS

### BASTBALL AMERICAN LEAGUE ANAHEMA—Put RHP Ken Hill on 15-

ANAHEM—Put RHP Ken Hill on 15-day. disabled ast, retroctorve to June 11. Recoiled C Ben Molino from Midland. TL.

N.Y. YANICAS—Agreed to lerms with OF Anciere Brown, assigned him to Tompa, GCL.

TEMAS—Put LHP Dorress Ofiver on 15-day. disabled ast retroctive to June 11. Blooght conhoct of C Rick Wrone from Oktohoma, PCL.

TORONTO—Activated C Dorrin Fletcher from 15-day disabled list. Sent OF Jose Cruz to Synacuse, IL.

MATIONAL LEAGUE

to Synocuse, IL.

ARIZONA—Optioned RHP Bob Wolcott to
Tusson. PCL. Recalled RHP Bobby.
Chousingrid from Tusson.

N.Y. METS—Signed OF Joshoo Porich and
LHP Rene Vego. and OF Tom Potioned and
assigned from to Gulf Coast League.
PITTSBURGH—Signed 1B Eddy Furniss. C
Dovid Diaz. C Som Affler. C Casey Cloud.
RHP Veson Harris and 38-OF Brion Cronk.

BASKETBALL.

MATIONAL BASKETBALL

NATIONAL BASRETBALL ASSOCIATION
TORONTO—Signed coach Suich Corier to 2 FOOTBALL

MATIONAL FOOTBALL

MATIONAL FOOTBALL LEAGUE

CHCAGO—Released DE Alonza Speliman.

GRESH BAY—Signed T Variale Holliday.

Agreed to farms with DE Jonathon Brown.

JACISCONVILLE—Re-Signed S Travis Dovis.

ANALAND—Signed OL Derrick Graham.

PHILADELPHIA—Refeased CB Excel Lu
COS. OL Main Storm and OL Patrick Kesl.

PITTSBURCH—Signed DB BO Offondo.

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son, TE Jamera Bell and FB Adom Salina bi

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Brock Blachfart, DE Craig Charles. CB Hur
ley Tarver.

ROCKEY

HOCKEY BOSTON - Signed C Andre Savage to 2-year CALGARY—Signed RW Chris Clork and D CALGARY—Signed NW Chila College of the College of t

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28

### **WORLD CUP**

### World Cup Briefs

## Still Confiden w Hange Lided ( lahi ha Violent English Fans Arrested in Marseille

English World Cup fans clashed with Tunisian fans and for the second day with riot police in Marseille on Sunday, the eve of an England-Tunisia match in the city.

Several hundred English soccer fans threw bottles and beer cans at police with helmets and shields. who fired back with tear gas. Scattered fights also broke out between British and Tunisian fans,

No injuries were immediately reported. Authorities said they arrested about 20 people, and calm returned to the Old Port after police cleared the area.

French television also showed English fans burning a Tunisian flag, angering mostly French-born Tunisians from the Marseilles

Of four English fans arrested in that clash, a 20-year-old Liverpool railroad employee remained in custody to face charges in court Monday of attacking the police.

There won't be any trouble to morrow, unless too many English are kept out of the stadium for a lack of seats," said Kevin Sharpe, who came from Southampton with his brother Oliver. "France should sell

### French Plan Prosecution **Over Phantom Tickets**

The organizers of the World Cup said Sunday that they had filed a complaint against agents and tour operators allegedly involved in selling nonexistent tickets.

None of the groups involved in the filing were identified, but Bruno Travade, a spokesman for the French organizing committee, said the panel would prosecute anyone who sold bogus tickets.

"We are going to court and an investigation will be carried out," Thousands of fans from around

the world have been left without tickets they paid for. French prosecutors said they would investigate businesses and individuals involved in ticket fraud.

Meanwhile, FIFA Colombia's federation of wrongdoing in dealing in World Cup tickets after a two-day investigation.

Keith Cooper, a FIFA spokesman, said accusations against Colombian officials had been without foundation."

### Maldini Chides Prodi

- 112

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Cesare Maldini, the Italian the Italian prime minister, to stop trying to pick the country's World Cup team.

Prodi said Saturday that he would like to see Roberto Baggio and Alessandro Del Piero play in attack when Italy takes on Cameroon in their Group B match next

"They're both great athletes and they should be on the pitch together." Prodi said.

Maldini said at a news conference on Sunday: "I believe that Prime Minister Prodi is a great admirer of cycling..." leaving a pause that allowed the Italian press to shout "and he should stick to that."

Personally I'm not that happy and I'll tell you why," Maldini added. "Everybody is talking about just two players and not the full squad of 22. I don't like that We're a unit and it's unfair to focus on two players.

"The others who played and also those who didn't play should also get some attention.

While Prodi is not known as a soccer pundit, he is a keen fan of Bologna, where Baggio played last season. (AP. AFP)



A TOOTHY GRIN — Ronaldo balancing a ball on his neck Sunday as Brazil prepared to face Morocco on Tuesday.



Nader Mohammadkhani of Iran, left, and Vladimir Jugovic of Yugoslavia falling as they struggled for a ball.

## Free Kick Gives Yugoslavia Victory

ST. ETIENNE, France - Yugoslavia made an uncertain return to the World Cup on Sunday after eight years away as it struggled to a 1-0 victory against Iran.

The Iranians matched the Yugoslavs for most of the game and were level until the 73d minute, when Sinisa Mihajlovic scored from a free kick just outside the penalty area. Mihajlović's shot curved around the wall and into the goal, catching Nima Nakisa, the Iranian goalkeeper, flarfooted.

Mihajlovic plays for Sampdoria in Italy. Twelve of his 13 goals in the Serie A have come from free-kicks. Iran, back in the World Cup after 20

vears away, refused to be overawed by Yugoslavia and nearly took the lead after only nine minutes when a dangerous corner fired by Javad Zarincheh was nearly deflected in the Yugoslav goal by defender Goran Djorovic as he

YUGOSLAVIA I, IRAN O

tried to flick it away for a corner. Iran packed the midfield, making it difficult for the Yugoslavs to play. Ivica Krajl saved a shot by Mehdi Mahdavikia and two by Ali Daei. Pedrag Mijatovic was the only Yugoslav to threaten the Iranian goal from open play.

"I am very pleased with our per-formance overall," said Jalal Talebi, the

Iranian coach. "We did not just go out there and watch them play. We lost on a set piece and there is no shame in (AP, AFP)

### ■ FIFA Rejects Call for Expulsion

FIFA, the governing body of world soccer, rejected on Sunday a call by German politicians to expel Yugoslavia from the World Cup because of the escalating violence in the mainly ethnic Albanian region of Kosovo, Reuters reported from Paris.

Keith Cooper, a FIFA spokesman, said, "as Yugoslavia qualified in sport-ing terms and there is no UN directive otherwise, there is no need for us to revise our position.

## Nigeria Gives Spain a Whiff of Mortality

By George Vecsey
New York Times Service

NANTES, France — They play all season in scattered outposts from South Africa to Russia, from Turkey to Kansas City. Their team reunions are usually marked by financial squabbles and political intrigue.

On Saturday, Nigeria staged one of the most spectacular games of this World Cup for that matter, beating Spain, 3-2, as both teams ran and shot against each other for nearly the entire 90 minutes.

The winning goal came in the 78th minute when Sunday Oliseh sliced a

of Andoni Zubizarreta, the Spanish goalie.
"It's been difficult to get to this stage," said Oliseh, a center back who

NIGERIA 3, SPAIN 2

plays for Ajax of Amsterdam, "and we have had more difficulty than any other team in the world."

On Saturday, the Nigerians gave the World (Cup, or just about any other often disappointing Spaniards a whiff World Cup for that matter, beating of mortality. They showed skill and courage that was there long before the peripatetic Bora Milutinovic became

Spain came out organized and aggressive, and scored first when right-footed shot past the desperate dive Fernando Hierro hooked a free kick

around the Nigerian wall and hit the right corner of the goal in the 21st

Nigeria came right back and earned a corner. Hierro jumped too soon in front of Mutiu Adepoju, who plays for Real Sociedad in San Sebastian, and Adepoju leaped and deflected the ball backward. inside the near post and just over the head of the earthbound Albert Ferrer to

Early in the second half, Hierro hit a 40-yard pass over the Nigerian defense and onto the left boot of Raul, who volleyed it past Peter Rufai.

Later, Garba Lawai outflanked the Spanish defense to release a left-footed cross that the wrong-footed Zubizarreta pushed into his own goal.

## Soccer Stars Are Born - While One Expires Fernand Sastre Gave the Cup Direction

By Rob Hughes ternational Herald Tribune MONTPELLIER, France - Soccer is a game of passions, of emotions that flow through those who play and watch as certainly as the Seine runs through Paris. We are feeling those emotions here, especially when the Africans and the so-called lesser nations are at play,

performing as if it were a game in which

you score, we score. ·
But on Saturday and Sunday came another kind of human expression that puts the inevitably transient thrills of sport into perspective. I refer to the somber tears of Michel Platini during silent tributes to Fernand Sastre, his fellow World Cup organizer, his friend, and clearly very much a paternal influence on Platini, France's finest player, and on the French game in general.

A true administrator, especially one such as Sastre who was the French federation president in the country's finest hour — the victory in the 1984 European Championship here in France never puts himself above the players. A true administrator never\_stoops to the skulduggery that, at St. Etienne and at Marseille, showed scoundrels will sell or buy the goodness of the sport for their own ends.

Sastre appeared to deal with triumph and disaster in Kipling fashion: He treated those impostors just the same. But he treated Platini with special fondness, helping, as a friend pointed out, to give him direction after his lease on playing stardom had expired and his

attempt at coaching had proved folly.

It was fitting, then, that Platini managed to visit his mentor at the Pitie Salpetriere Hospital in Paris on Sastre's last day. They both knew his cancer was terminal, and one can only surmise whether Sastre, 74, received any conscious pleasure either from the spark-ling French victory Friday against South Africa in Marseille, or from the uninhibited style with which the small nations have claimed their moments in the spotlight. For Sastre, like millions of French,

was born in Algeria. Did he know that Zinedine Zidane, son of an Algerian immigrant, had lit the torch for France in Marseille? Did he see on television the way Morocco scored stunning individual goals - from Moustafa Hadji and Abdeljilil Hadda — in a 2-2 draw against Norway? Did he see Marcelo Salas, sharp on

the ground and in the air, shock Italy? Or above all, did he see Pierre Njanka spring from nowhere to score an extraordinary goal for Cameroon? Njanka is a player out of the un-

known, a young man whose presence was not a feature in Cameroon, never mind the world, before his goal. "A month and a half ago," said

Claude Le Roy, Cameroon's coach, "I of The Times of London.

had to go and get Njanka from his village of Myvole. When you see the goal he scored, you can understand the potential of Cameroon football.

No, sir. The potential of African foot-ball, rather. That goal was a combination of form and physique, of a man running where instinct took him and not stopping until he had sidestepped two internationally known Austrian defenders and, while the second of them slithered out of control on the seat of his pants, hitting his shot with tremendous

power and accuracy into the net.

If Njanka, a defender by the way, never scores another goal, he has this memory to live on. When a coach goes a-hunting as late as Le Roy decided to do so in Cameroon, and from 50 volunteers comes up with a genuine talent, we are bound to ask: Are there more like you back home in Myvole? And would you have run with such hope, such innocence, had you been properly coached in

the modern cautions of soccer? This first round, so far, is what it should be. The "little people" are seizing the headlines. There will be time enough for Argentina, Brazil, France and the other big guns when the event takes later shape. But surprise is the friend of new nations, in the sporting sense — even as I write these words, Iran keeps attacking Yugoslavia with

speed and guile quite unexpected.

Marvelous. Maybe they all have been given the green light to believe themselves equal because of what Nigeria did at the 1996 Olympic Games. Two goals down to Brazil in the semifinal, with 15 minutes to go, the "Super Eagles" soared to score three times. Down again to Argentina in the final, the irrepressible Nigerians came back to win the gold.

And in Nantes on Sunday, Nigeria twice allowed Spain to lead it, twice equalized, and then, proving stronger and running with real Olympian spirit, Sunday Oliseh scored the winning goal with a thunderous shot from 20 meters.

The drums of Africa beat an appealing rhythm. The insecurity of their defenses will let them down as the rounds gather pace and the opposition becomes finer tuned to playing what, for the champion, will be seven demanding matches in one month. Yet among those who hope to be winners are Spain and Argentina. On Sunday, Argentina, despite the inevitable goal from Gabriel Batistuta, could only breathe relief after the final whistle when Japan, simply refusing to surrender in its first match at a World Cup. ran and ran until time ran out.

For the rest of us, there is always hope that tomorrow will bring more memorable surprises. For Sastre, without whose attention to detail this tournament might not have begun this way, we have to say, " Merci, et bonne muit.

Rob Hughes is sports correspondent

However, in defense two im-

portant members of the old

guard are missing: Dabiel

Tibor Sevimes has a sprained

Germany vs. United States, Paris, 9 P.M. With an average

age of 29.7 years, Germany is

one of the oldest teams. But

that hasn't stopped coach Berti

their stamina and strength.

the World Cup," he said.

Romania won, 3-1, putting it capacity for hard work, will

disastrous spiral that ended mation will also test German

"We dream of avenging ican coach, packs six men in-our failure of 1994, and to midfield with only one

tack and midfield is likely to doubtedly be happy with a

with defeat to the United resourcefulness.

Vogts from placing his faith in

The fittest team will win

The Americans, fit and fast

themselves and with a high

provide a severe test of that

fitness. Their innovative for-

striker ahead of them. He

prefers his team to rely on the

counterattack, although on

Monday he would un-

Steve Sampson, the Amer-

ankle and may not play.

## Conservative Belgian Team **Holds the Dutch Scoreless**

By William Gildea
Washington Post Service

S'AINT-DENIS, France - Four vears ago, in Orlando, Florida, the Belgians beat the Dutch, 1-0, in the

last World Cup.
The Netherlands team did not care to see the Belgians again for a decade or two, but they drew them in the qualifying competition for this year's Cup — and beat them twice.
Then, like clockwork, they drew

Belgium for their opening match in the Cup finals. So, for the 117th time,

METHERLANDS O, BELORIM O

these two enduring rivals got together Saturday night in the 80,000-seat

At least 8,000 fans from each side were there, including whole sections of Dutch fans wearing orange. Belgium's rooters wore red, black and yellow for their "Red Devils." Thousands had their faces painted either orange or red, and the colors didn't run despite a steady rain.

Well in advance, the Netherlands' captain, Frank De Boer, predicted what would happen: Belgium won't be coming at us, because they never do," he said. "We'll be playing our traditional game and try not to get caught by a counterattack."

And so it was that the Belgians always kept seven men back, played trated the favored Dutch, who wanted to win. The Belgians man-handled the attacking Netherlands team, who came away with nothing but bruises and a red card stemming

The Dutch weren't helped by the poor form of their main striker, Patrick Kluivert. He expressed his frustration in the 81st minute. Following an exchange of words, he walked angrily up to Lorenzo Staelens, a Belgian defender, and thumped him in the chest with his elbow. Staciens collapsed, and was still writhing in apparent agony long after Kluivert had received a red card

and been banished. Eleven against 10 seemed an invitation to Belgium to play, but nothing so radical was about to happen. If the Belgians had played any deeper on defense, they would have been back at Roissy-Charles de Gaulle Airport.

The conservatism almost cost them. Philip Cocu had a chance in the final minutes with the Belgian goalkeeper, Filip De Wilde, out of position, but a defender, Eric Deflandre, rose up to head the ball over

Deflandre personified Belgium's tactics. He was brought on after only 21 minutes to replace Bernard Crasson, who could not stop the Dutch winger Marc Overmars. Deflandre immediately received a yellow card for fouling Overmars. But that didn't stop him pounding every Dutch player he could.

Belgium's coach, George Leekens, said his team would be aggressive in its next game, against Mexico on June 20 in Bordeaux. "It's our for the 0-0 tie and completely frus- most important game," he said. "We need a win to go through to the next stage." Some fans said that if Leek-ens had told them Saturday afternoon that he wasn't coming to win, they might have found something else to do on a Saturday night in Paris.



The Dutch striker Patrick Kluivert, front, clashing with a Belgian defender, Lorenzo Staelens.

### ■ South Korea Falls Short

But shortly after Ha Seok Ju's

Coach Manuel Lapuente's team then found ways to put the ball past the Pelaez, was the first Mexican to suc-

Group E match for both teams.

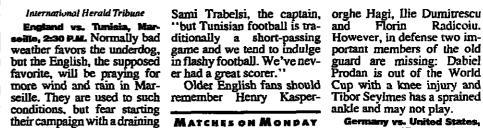


For about two minutes, it appeared that South Korea might finally ex-perience World Cup success, Chris-topher Clarey of The International Herald Tribune reported from Lyon.

long free kick had deflected into the Mexican goal in the 28th minute on Saturday, Ha was jogging off the field after becoming the first player in this tournament to receive a red card for tackling an opponent from

Korean goalkeeper, Kim Byung Ji. A second-half substitute, Ricardo

ceed, slamming home a deflected corner kick with his right foot in the 51st minute. His teammate, Luis Hernandez, would score twice more in the 74th and 84th minutes to secure Mexico's 3-1 victory in the opening



match on a hot and humid czak, the Tunisian coach. He afternoon, especially if the Tunisians play at the same furious tempo and attack with eliminated England in the qualifying tournament before the same vigor that the four other African teams have displayed in the first round. Without the self-indulgent on, 5:30 P.M. The two teams Paul Gascoigne, England met four years ago in their lacks creativity. The defense opening World Cup game.

has looked shaky in warm-up games. England may well pick two stars of the European championships of two years ago who have struggled to recover form after long injuries: striker Alan Shearer and wingback Darren Anderton. Boy wonder Michael Owen will probably play at some point. Meanwhile the Tunisians

have been talking down their chances. "We've got some made up of veterans of the scoreless draw. very skillful players," said previous World Cup: Ghe-

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## WORLD ROUNDUP

### Fernand Sastre Dies; Headed World Cup

Fernand Sastre, 75, co-president of the French organizing commit-tee of the World Cup, died of lung

cancer Saturday,
Mr. Sastre did more than anyone else to bring the World Cup to France. He was not as well-known as his co-president, the former soccer star Michel Platini, but Mr. Sastre played a key behind-the-scenes role in French soccer for nearly 30 years.

Mr. Sastre was stricken a few months ago and the progress of his

disease was rapid. Mr. Sastre was the head of the committee that campaigned for France's World Cup bid. From 1973 to 1984, he was president of the French soccer federation (WP)

### Kafelnikov Wins Title

TENNIS Yevgeni Kafelnikov beat Magnus Larsson, 6-4, 6-4 Sunday to win the Gerry Weber Open in Halle, Germany. It was his first title in four months.

 Scott Draper, an Australian won his first ATP title Sunday, beating Laurence Tieleman, a Belgian-born Italian, 7-6 (7-5), 6-4 in the final of the grass court tournament at the Queen's Club in London. Before this tournament, Draper had not won consecutive matches all season.

• It rained on Steffi Graf's 29th birthday in Birmingham, England. Graf played only nine minutes against Natalie Tauziat in the semifinal of the DFS event before rain stopped play. (AFP, Reuters AP)

### Rhein Fire Wins Bowl

FOOTBALL Jim Arellanes, a backup quarterback, threw three touchdowns Sunday to lead the Dusseldorf Rhein Fire to a 34-10 victory over the Frankfurt Galaxy

in the World Bowl. Arellanes, who had thrown one pass all year, was 12-for-18 for 263

### Golf Event Abandoned

GOLF The European Grand Prix in Hexham in northern England, was abandoned Sunday because of a waterlogged course. It was the first time a European Tour event had been abandoned without a result.

Only a third of the field had completed the second at the Slaley Hall course before play was called off on Saturday following disrup tions because of heavy rain on the first two days. (Reuters)

### Ethiopian Breaks Record

ATHLETICS Haile Gebrselassie of Ethiopia broke the men's world 5,000 meter record in Helsinki on Saturday. He ran 12 minutes 39.36 seconds to break the mark of 12:39.74 set by Daniel Komen of Kenya last August.

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Gabriel Batistuta of Argentina beating the Japanese keeper Yoshikatsu Kawaguchi to score on Sunday.

## Croatia Wins Battle of Debutants

Agence France-Presse LENS, France - It took more than an hour, but Croatia's international veterans eventually quelled Jamaica on Sunday in the first match for both countries at the World Cup. Croatia dominated the match almost

CROATIA 3, JAMAICA T

from the start and took the lead in the 27th minute. Mario Stanic, a defender. scuffed home a shot from close range after a powerful drive by Igor Stimac hit the crossbar and dropped in front of the Jamaican goal.

Seven minutes later Stanic broke

down the left before crossing to defender Zvonimir Soldo, whose shot came crashing back off the underside of

Three minutes later, Davor Suker, the Real Madrid striker, found space on the left but Warren Barrett, the Jamaican keeper, dived to palm it away.

But the energetic Jamaicans were still able to create chances in the first half. Dario Simic, a Croatian defender, cleared off the line from a header by Robbie Earle, a 34-year-old who plays for Wimbledon in the English Premier League. Then, just before half time Earle leapt to meet Ricardo Gardener's cross into the Croatian goal.

World Cup Results, Goal Scorers and Group Standings

JUNE 11, IN TOULOUSE

Croatia regained the lead in the 53d minute when Robert Prosinecki curled a shot into the top corner of the Jamaican net following a complicated free-kick

Deon Burton, one of Jamaica's English based players, had the ball in the net a minute after Prosinecki's goal, but the linesman's flag was waving offside before the ball had crossed the line.

In the 69th minute, Suker found space behind the Jamaican defense and when the ball came to him he flashed a leftfooted shot that defender Gardener could not keep out of the net.

It was Suker's 30th goal in 35 in

JUNE 14, IN LENS

## An Auspicious Debut, In Defeat, for Japan

Team Shows Toughness in Loss to Argentina

By Christopher Clarey International Herald Tribune

TOULOUSE - It was halftime, and though Japan was already trailing Argentina, 1-0, it was still a seller's market on the road leading to the municipal stadium in Toulouse.

Approximately 10,000 Japanese fans were already inside chanting at their South American rivals, but outside there

### ARGENTINA 1, JAPAN O

were still hundreds of Japanese doing their best to find a way into their nation's first World Cup match.

Some supporters were sitting on the sidewalk and holding up signs in English or French seeking tickets. Others with more energy continued to question any pedestrian they could find. But in the end, supply would not catch up with demand. Also in the end, Japan would

not catch up with Argentina. The goal that the star striker Gabriel Batistuta scored in the 28th minute on Sunday would be the only goal of the afternoon, and it would leave Argentina with the early lead in Group H and Japan

"I really don't have any great sentimental feeling about this being our first World Cup match," said Takeshi Okada, the Japanese coach. "We all knew that Argentina was stronger than us, but we all believed we still had the possibility to win.'

This was no lopsided match between a South American powerhouse and an undermatched Asian team. Japanese soccer has no World Cup history, but its base and national team are solid, and the influence of the many Brazilians who have played and coached in Japan's domestic league means that Japanese stars such as Hidetoshi Nakata, a 21year-old midfielder, also know how to

But what Japan was lacking was not the ability to defend, pass, dribble or sprint ("they run, run, run," said Argentina's Juan Veron). It was the ability to finish, and that is what Batistuta still does as well as anyone in the world with the possible exception of a Brazilian named Ronaldo.

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Batistuta still came into this World Cup as his nation's all-time leading scorer with 38 goals. He scored his 39th after a pass ricocheted off Hiroshi Nanami and bounced free in the penalty area. The 29-year-old known as Batigol quickly took control of the ball and, with a nuthlessly efficient swipe of his right foot, pushed it over the oustretched legs of the sliding goalkeeper, Yoshikatsu Kawaguchi.

"This is a young team," Baristanta said, "and we needed to break the ice." Only one of Argentina's starters was over 30 — the defender Roberto Sensini - but this is not an inexperienced team. Batistuta, Sensini and the midfielders Ariel Ortega and Diego Simeone were all members of the Argentine team that began the World Cup so auspiciously in 1994 by winning its first two matches. But after Diego Maradona was expelled from the competition after testing pos-trive for ephedrine, the Argentines failed to win another match.

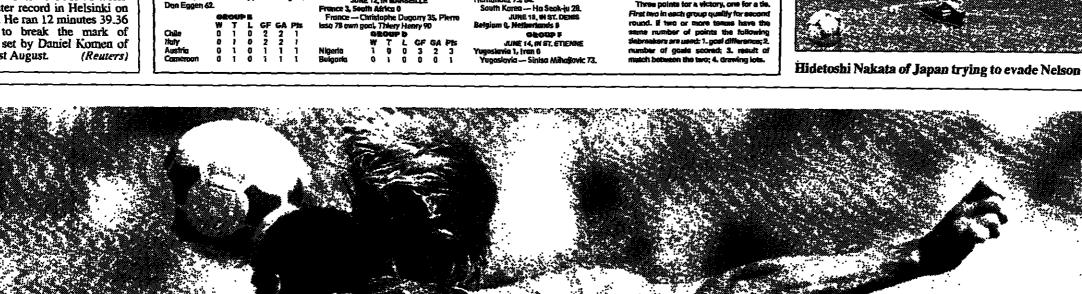
The Maradona era is over in Argentina. For the first time since 1978, he is not playing for his nation in the World Cup, but despite all the embarrassment he has caused his country and sport. there were still adoring banners hanging from the stands in Toulouse.

The Argentine who now wears number 10 is Ortega. Like Maradona, he is small and fast and technically gifted, but despite some flashes on Sunday, the moments when he was most reminiscent of Maradona were when he was getting hacked or pushed to the ground by the hard-tackling Japanese.

But this World Cup is attempting to be kinder to creative men than World Cups past, and the Japanese paid for their aggression by being called for 35 fouls and receiving three yellow cards.



Hidetoshi Nakata of Japan trying to evade Nelson Vivas of Argentina.



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